

UNION POLITICS AND WORKPLACE MILITANCY: A CASE  
STUDY OF BRAZILIAN STEELWORKERS IN THE 1980s

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## ABSTRACT

The thesis analyses the relationship between shop-floor militancy and union politics in the period after the birth of "new unionism" in Brazil in the 1980s and addresses the problems and dilemmas faced by this new type of union movement.

It is based on a case study of steelworkers at the National Steel Company and their representative union, the Metalworkers' Union of Volta Redonda, in the state of Rio de Janeiro, Brazil. The research design has emphasised qualitative methods such as in-depth interviewing and field observation. The researcher has also made use of the computer in the analysis of data, through a new type of computer software which is being introduced in sociological research.

The objectives of the thesis are two-fold. First, it offers an in-depth study of the relationship between shop-floor politics and union politics in a steel plant. The theoretical framework is based on the concept of "politics of production" introduced by Michael Burawoy, and on the debate around levels of leadership representation of union members, as inaugurated by Robert Michels.

The second objective is to assess the developments of "new unionism" in Brazil, ten years after its birth, and to discuss the extent to which it has actually broken with populist and bureaucratic types of unionism and advanced towards more democratic forms of union politics.

With the knowledge available today of national level politics, it is possible to argue that in the course of the



1980s the "new unionist" movement developed a significantly more legitimate and democratic relationship between union leaders and their base, and that this helped to break with the "regulated citizenship" of working-class groups in society by expanding their labour rights, by successfully pressing for changes in the Labour Code and by participating in national level politics. The analysis of the case study suggests that the contribution of the new union movement was especially significant in the politicised use of the CIPA (Internal Committee for the Prevention of Accidents) and in the innovative use of the Labour Courts. The significance of these dimensions was that they involved an attempt to expand workers' rights as well as to create new bases under which the rights were granted. On the other hand, the case study suggests that the internal dynamics of the "new union" movement still have elements which may be characterised as non-democratic, and that this generated a new set of problems and dilemmas for organised labour in Brazil for the 1990s.

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TABLE OF CONTENTS

ABSTRACT ..... 2

ACKNOWLEDGEMENTS ..... 4

INTRODUCTION: ..... 11

- The Object of the Thesis
- Frames of Reference: Issues in Political Sociology
- Frames of Reference: The Labour Process Theory
- Union Democracy and Shop-floor Politics. Specifying the Object of Study
- The Case Study
- The Structure of the Thesis

CHAPTER ONE: RESEARCH DESIGN AND FIELDWORK  
IN VOLTA REDONDA, BRAZIL ..... 57

- Introduction
- The Methodological Option
- The Fieldwork. A Personal Account and the Analytical Problems
- "Representativeness" and "Validity" of the Field-Work Data
- The Computer Software for the Analysis of Qualitative Data
- Conclusion

PART ONE: SCENE SETTING

CHAPTER TWO: A SHORT HISTORY OF LABOUR RELATIONS  
IN BRAZIL AND THE BIRTH OF "NEW UNIONISM" ..... 114

- The Corporatist System in Brazil
- The Brazilian Industrial Relations System
- Labour Control by the State and the Politics of "Populist" and "Bureaucratic" Unionism
- The Resurgence of the Labour Movement
- Developments After 1978
- Conclusion

CHAPTER THREE: A BRIEF HISTORY OF THE NATIONAL  
STEEL COMPANY, ITS ROLE IN THE BRAZILIAN ECONOMY  
AND ITS EMPLOYMENT POLICIES ..... 174

The Creation of the National Steel Company and the  
"Company-Town Days"  
The "Structural Contradiction" of State-Owned Companies  
and the Recurrent Crisis at the National Steel  
Company  
Characterisation of Employment Policies at the National  
Steel Company  
Conclusion

PART TWO: THE CASE STUDY

CHAPTER FOUR: COMPANY POLICIES AND SHOP-FLOOR CONFLICTS,  
THE EMERGENCE OF THE "UNION OPPOSITION GROUP" AND THE  
DEVELOPMENT OF "NEW UNIONISM" IN VOLTA REDONDA.  
THE PERIOD 1979-1984 ..... 221

Managerial Policies and Shop-Floor Conflicts in the Period  
Preceding the Emergence of the Union Opposition  
Movement  
The Emergence of the "Union Opposition" and the Changing  
of Union Government  
The 1984 Strike  
Conclusion

CHAPTER FIVE: THE ADVANCE OF SHOP-FLOOR MOBILISATION  
AND ORGANISATION AND THE NATIONAL STEEL COMPANY'S  
"DEMOCRATIC" PERIOD: 1985-1987 ..... 291

Management's Policies in the Period 1985-1987 and the  
Politics of Production  
The Shop-Floor Conflicts of the Period  
The Metalworkers Union: Advances in Organisation and  
Militancy  
Conclusion

CHAPTER SIX: MANAGERIAL "REPRESSION" ON THE SHOP-FLOOR  
AND AGAINST THE UNION. THE DEVELOPING OF DILEMMAS OF  
A "NEW UNIONIST" UNION. THE PERIOD AUGUST 1987-1990 ... 353

Company Policies in the Period 1987-1990  
Company Policies and Shop-Floor Conflicts in the Period  
Company Repression Against the Workers and the Union After  
August 1987 and the Consequences for Union Politics  
The Wage Campaign and Strikes in the Period 1988-1990  
Developments Within the "New Unionist" Union  
Union Elections and the Development of Splits Within the  
Union Movement  
Conclusion

PART THREE: FURTHER ANALYSIS OF RESEARCH FINDINGS

CHAPTER SEVEN: POLITICAL TYPES AMONG ELECTED  
UNION OFFICIALS, SHOP-FLOOR ACTIVISTS, CIPA REPRESENTATIVES  
AND MEMBERS OF THE OPPOSITION AND SOME OF THE DILEMMAS  
OF "NEW UNIONISM" ..... 416

The Two Groups of Steelworkers: the "Active Group" and the  
"Non-Active Group"  
The Criteria for Classification of Political Views and the  
Distribution of Opinions Among the "Active Group"  
The Three Political Types Among the "Active Group"  
Conclusion

CHAPTER EIGHT: THE "NEW UNIONIST" UNION, THE USE  
OF THE LABOUR COURTS AND CITIZENSHIP RIGHTS ..... 452

The General Argument  
The Resource to the Labour Court by the Metalworkers'  
Union of Volta Redonda  
Presentation of the Data  
The Use of the Labour Court as Another Type of Strategy to  
Enhance Mobilisation and Organisation of Workers  
Conclusion

CONCLUSION .....	488
BIBLIOGRAPHY .....	509
APPENDIX .....	531



## INTRODUCTION

### 1. The Object of the Thesis

This thesis is about shop-floor political culture and the dynamics of industrial activism in Brazil. It analyses the relationship between shop-floor militancy and the politics of "new unionism" in Brazil and discusses the problems and dilemmas faced by this new type of union movement, ten years after its emergence.

The thesis is based on a case study of steelworkers at the National Steel Company (Companhia Siderúrgica Nacional - CSN) and their union, the Metalworkers' Union of Volta Redonda, in the period 1979-1990 (1). The *major objective of the thesis is to examine* the relationship between shop-floor politics and union politics in a steel plant *in the context of* the "new unionist" movement in Brazil, ten years after it appeared.

The research design has emphasised qualitative research methods such as in-depth interviewing and field observation

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1. The complete name of the union is the Union of the Metal, Mechanical and Electrical Material of Volta Redonda, Barra Mansa and Resende. The proper names refer to the three geographic bases which are covered by the union and which will be explained later in greater detail. To simplify the reference, I will refer to this union throughout the thesis either as Metalworkers' Union or simply as the union.

and the analysis of the data has drawn on a new type of computer software that is being introduced into sociological research. It is suggested that this methodological approach is itself one of the contributions made by the thesis to the extent that "industrial sociology" or "political sociology" have traditionally made use of quantitative and survey methods of investigation in a more macro and comparative type of analysis.

The thesis claims that in the course of this decade, the "new unionist" movement has developed a significantly more legitimate and democratic relationship between union leaders and their base; and that it has broken with the "regulated citizenship" of working-class groups in society by expanding their labour rights, by successfully pressing for changes in the Labour Code and by participating in national-level politics through the creation, for example of a Workers' Party (PT) (2). On the other hand, it will be suggested that the "new unionist" movement still has many aspects in its internal dynamics which may be characterised as non-democratic and that it has generated a new set of problems and dilemmas for organised labour in Brazil.

The thesis focuses on two fields of research. On the one hand, it investigates the way in which this "new unionist" union is governed, as well as its political dynamics and dilemmas in relation to its rank and file and to company

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2. The concept of "regulated citizenship" was first introduced by Guilherme dos Santos and will be explained in Chapter 2 of this thesis. See also Guilherme dos Santos, W. Cidadania e Justiça. 1979.

management. On the other hand, it describes the shop-floor political culture, the conflicts over production and working conditions and analysis the manner and degree in which such conflicts are taken on board by the "new unionist" leadership.

The combination of these two areas of study as the object of investigation is justified by the very nature of the "new unionist" movement, which emerged from the activism of workers on the shop-floor and took shop-floor issues as one of its main mobilising banners. Moreover, "new unionism" has sought to create shop-floor representation of the rank and file and to expand the penetration of the union in the workplace. To this extent, there is a theoretical challenge in attempting to combine an institutional analysis of the union with a micro-level analysis of workers' politics and conflicts over production.

The relevance of this thesis can be justified on two grounds. In thus combining an institutional analysis of the union with the politics of the shop-floor, the thesis seeks to contribute to the still small body of research which adopts a similar focus (3). Secondly, the relevance of this

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3. This issue has been raised by Roxborough who pointed out that a great part of the studies on organised labour in Latin America concentrate on the movement's "institutional expression". According to the author:

"(...) there is a need to integrate a concern with political orientations of organised labour with a detailed account of industrial conflict on the shop-floor". See Roxborough, I. Union and Politics in Mexico. The Case of the Automobile Industry. 1984 pages 7-9.

As far as I know, the first research in Brazil to integrate a labour process/shop-floor conflict analysis with the study of the union, was the work by Humphrey (1982) on the birth of the "new unionist" movement among metalworkers in the ABC

case study can also be located in a debate of more general nature. Today there is widespread interest in the role played by "new unionist" leaders in Brazilian national politics, after they had become legitimate interlocutors in the eyes of the government and engaged in various and unsuccessful attempts to bring organised labour to subscribe to a social pact. Organised labour was also of strategic importance in influencing the success or failure of the government's macro-economic programmes to control inflation. Finally the long term role of organised labour is a key issue in the process of democratic consolidation.

The Brazilian "new unionist" movement emerged at the end of the 1970s after almost fifteen years of state control and repression of organised labour. The birth of the new movement thus reflected the capacity of organised labour to make use of the newly developing liberalisation process and to press for further democratisation. The 1978 metalworkers' strikes in the ABC region of São Paulo state, questioned the very basis

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region in the state of Sao Paulo. In the mid-1980s a somewhat similar perspective has been explored by social anthropologists such as Pessanha (1985, 1987) and Leite Lopes (1978, 1988) among others. See Humphrey, J. Capitalist Control and Workers' Struggle in the Brazilian Auto-Industry. 1982; Pessanha, E. Vida Operária e Política. PhD Thesis. 1985 and "Processo de Trabalho, Resistencia Fabril e Participacao Política na Construção Naval". Textos para Discussão. 1987; Leite Lopes, J. O Vapor do Diabo. 1978 and A Tecelagem dos Conflitos de Classe nas Cidades das Chaminés. 1988.

For an on studies of organised labour in Latin America and the different tendencies available, see Zapata, F. "Towards a Latin American Sociology of Labour". Journal of Latin American Studies. Vol. 22 Part 2. May 1990; and Viotti da Costa, E. "Estruturas Versus Experiencia: Novas Tendencias na Historia do Movimento Operario e das Classes Trabalhadoras na America Latina: o que se perde e o que se ganha". BIB. No. 29. 1990 (translated from the English edition, International Labour and Working-Class History Review. Fall 1989.

of the corporatist arrangements between the social classes and the legitimacy of the bureaucratic union leaders who held office in most Brazilian unions at the time. Although this movement was originally born among workers in the dynamic sector of the economy and in the most industrialised state in Brazil, by the mid-1980s "new unionism" had spread to other working-class groups and to other regions of the country. The numbers of strikes and strikers grew significantly and many bureaucratic executives lost office in union elections to "new unionist" groups.

The "new unionist" movement sought to break not only with the bureaucratic-clientelist practices of the post-1964 leadership but also with the practices of the populist leadership which had existed before the military coup of 1964. In contrast to the populist leadership of the 1960s, the legitimacy of the "authentic leadership", as the new leaders came to be known, was based on the greater representation of the rank and file in the union as well as an increased emphasis upon factory questions, as the mobilising power of the workers.

Although political issues and problems of national development were not left aside, the views held by the new leaders contrasted with the views held by the populist leaders of the past. This latter group tended to differentiate between social and political demands and "economic" demands, leaving aside factory problems such as the degree of exploitation, problems of factory despotism and discriminatory and undemocratic relationships between

managers and workers. One characteristic of the "new unionist" movement has been the integration of so-called economic, social and political demands. It has addressed issues at the heart of the production system - working conditions, democratisation of the relationship between managers and workers and job control issues - at the same time that it has questioned the containment of the corporatist labour laws and the macroeconomic wage policies dictated by government.

In sharp contrast to the bureaucratic union leadership of the past, whose power derived from their links with the state and penetration in the state corporatist institutions, many of the "new unionist" leaders emerged as a result of their shop-floor militancy and activism. These leaders sought their political legitimacy through a combination of increased numbers of union members and direct shop-floor organisation and mobilisation. The shop-floor and the organisation of work acquired considerably greater importance as sites for the emergence of grass-roots politics.

Thus, the two areas of investigation proposed in this thesis - union politics and shop-floor militancy - are linked together by the very nature of the Brazilian "new unionist" movement. One of the most important new proposals of the movement was a shift in the definition of what was union politics. From the exclusively institutional and regulated union activity as defined by the corporatist state, to the inclusion of practices which had been prohibited by the labour law, such as shop-floor representation, direct

negotiations with management and strike activity.

Whereas the populist and bureaucratic model of unionism flourished under the Labour Code created in 1943, the "new unionist" movement has sought to change the labour laws and to offer a coherent view of alternative forms of organisation and mobilisation. Union representation at the shop-floor level and greater accountability of leaders to the rank and file were keenly pursued objectives. The emergence of direct negotiations with management and the occurrence of strikes touched the very heart of the corporatist labour laws. Moreover, breaking with the regulated pattern of vertical organisation, the "new unionist" movement created alternative horizontal representations and a new confederation of workers controlled directly by the unions.

I would like to suggest that the "new unionist" movement should be defined in opposition to the populist and bureaucratic unionism. Furthermore, the characteristics of the new movement, when it emerged in the end of the 1970s, was defined around three sets of propositions (4):

1. The "new unionist" union is more militant:

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4. My own synthesis has been based on the following literature: Alvaro Moises, J. "What is the Strategy of the "New Syndicalism?", Latin American Perspectives, 1982; Humphrey, J. "As Raizes e os Desafios do "Novo" Sindicalismo da Industria Automobilistica" in Revista Estudos CEBRAP, 1980 and Capitalist Control and Workers Struggle in the Brazilian Auto Industry, 1982; Tavares de Almeida, M. "Novas Demandas, Novos Direitos: Experiências do Sindicalismo Paulista na Ultima Década" in Dados, 1983; Keck, M. "New Unionism in the Brazilian Transition" in Democratizing Brazil, 1989 and Moreira Alves, M, "Trade Unions in Brazil: A Search for Autonomy and Organization" in Labor Autonomy and the State in Latin America, 1988; among others.

- a. In its greater propensity to strike.
  - b. In the forms of struggle it chooses.
  - c. By the politicised use of legal channels.
  - d. By introducing issues which question the organisation of production.
2. The "new unionist" unions are more representative of their rank and file:
- a. They allow for the emergence of new protagonists as union leaders (5).
  - b. They allow for and encourage workplace representation.
  - c. They attempt to broaden the basis of participation by organising unionisation campaigns.
  - d. They allow for systematic union elections under conditions of greater freedom and competition.
3. The "new unionist" movement is not simply a trade union tendency but:
- a. It is also an arena of struggles for social and political rights.
  - b. It questions the very limits of the corporatist state by creating possibilities for the expansion of working class citizenship.

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5. Although largely composed of new, "authentic" leaders, the "new unionist" movement also incorporated some former bureaucratic leaders who grasped the extent of the changes that were taking place and altered their rhetoric and practice accordingly. However, as time elapsed and alternatives to military rule emerged and democratisation expanded, problems of division and political contention between these different types of "new unionist" leaders deepened. These divisions achieved formal expression by the end of the 1980s with the establishment of three workers' confederations: the Central Única dos Trabalhadores - CUT (Central Union of Workers), under the influence of Lula and the Worker's Party; the Central Geral dos Trabalhadores - CGT (General Workers' Confederation) led by Joaquim dos Santos de Andrade and Luiz Antonio Medeiros and the Confederação Geral dos Trabalhadores - CGT (General Confederation of Workers) led by Antonio Magri. I will return to the issues underlying these splits in Chapter 2 of this thesis.



This thesis takes up the "new unionist" debate and attempts to assess how the general characteristics defined above have developed in the past ten years.

The starting point of the thesis is the redefinition of union politics in the light of the "new unionist" movement which lead us to the analysis of two areas of industrial collective action, namely the union and the shop-floor. One area of analysis is the relationship between manual workers, as a rank and file, and their union leadership. This relationship is formal and institutionalised in the sense that there is a legal framework which regulates the politics, finances and administration of the union.

Another area of analysis is shop-floor politics where our focus will be on, for example, the day-to-day politics of workers in face of the production process, the working conditions and the ways in which shop-floor workers mobilise and organise around specific goals.

The aim of the "new unionist" union, was that the two levels of industrial activism - the union and the shop-floor - should be closely related to each other. However, this principle is not here taken for granted but is developed as a research problem. Indeed the major focus of this thesis will be around the issue of union democracy and the extent to which the rank and file has become adequately represented by the "new unionist" union. My analytical frame of reference may be found in two theoretical perspectives: namely, the debate on union democracy found within political sociology,

and the concept of a "politics of production" found within the labour process debate. Before formulating the main research questions, the theoretical framework of the thesis will be discussed.

## 2. Frames of Reference. Issues in Political Sociology

### 2.1. Robert Michels' Paradigm. Union Democracy and Oligarchic Rule

This thesis departs from issues in political sociology, derived from the central problem of union democracy. The question of union democracy and the degree to which union members are represented by their leaders has been the subject of an almost century old debate. Michels' idea of "an iron law of oligarchy" set the agenda for this debate in political sociology (6).

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6. Several authors have argued that although it is almost impossible to establish a significant theoretical distinction between political science and political sociology, the emergence of political sociology as an independent area of investigation only occurred when a clear distinction between the social and the political was established. Pizzorno (1971:7-8) has located this process in the nineteenth century, when the idea of "civil society" emerged in opposition to the concept of state. However, since these concepts were born in the context of an emergent capitalist economy and the domain of the bourgeoisie as a class, the arena of politics was studied as highly determined by other structural factors.

According to Bottomore (1979:8), the question of whether and the degree to which politics is dependent on or autonomous of the social structure, has been a major point of controversy in political sociology up to today. Although latter day Marxists will give a more complex account, it is fair to say that Marx stands as the formulator of the idea of complete dependence of the political upon other social forces. Tocqueville, on the other hand, with his work on the

Michels' main argument on the iron law of oligarchy contains three basic propositions (7). Firstly, he maintains that the search for organisational effectiveness of the union will lead to an ever greater division of labour between leaders and the rank and file. The end result of this process is that leaders will increase their power - in terms of knowledge of issues concerning the union, autonomy to take decisions, and control over communication - while the rank and file will see their rights increasingly restricted. The second proposition derives from the first and holds that the power of the leadership in office is further reinforced by their interest in remaining in power. Leadership roles bring all sorts of rewards especially in material benefits and

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democratic movement, formulated the idea of the autonomy of politics. By centring his study on the democratic political regime, Tocqueville attributed an independent effectiveness of the political in shaping modern society (Pizzorno 1971:9 and Bottomore 1979:10). The study of the political as an autonomous object was later better elaborated by other social thinkers, Max Weber being especially influential, with his interest in the ideas of "power" and "domination" and his ideal typical "forms of domination" (Weber 1978 Vol. 2 and Aron 1982:513). For more details, see Pizzorno, A. Political Sociology. (Pizzorno, A. editor) 1971; Bottomore, T. Political Sociology. 1979; Weber, M. Economy and Society. 1978. Vol. 2 and Vol 3; and Aron, R. As Etapas do Pensamento Sociológico. 1982.

7. It is important to note that although Michels' thesis gained the status of a "universal proposition" over the years, his source of empirical information was not a general comparative analysis of different unions, but the analysis of the German Social Democratic party and its relations with the German unions and working-class. For a good critique of the problem of generalisation of Michels' Political Parties, see Cook, P. "Robert Michel's Political Parties in Perspective". The Journal of Politics. 1971 pages 794-795. See also on the subject Martin, "The Effects of Recent Changes in Industrial Conflict". The Resurgence of Class Conflict in Western Europe Since 1968. Vol 2. 1978 page 122.

status. According to Michels, these will tie the leadership to maintenance of the status-quo so that they can continue to benefit from the system. The rationale of the leadership shifts from one of representing the needs and demands of its base, to a search for its own preservation in power.

This brings us to the third proposition, which states that the process of oligarchic rule results in the emergence of antagonistic interests between leadership and rank and file. The leadership, in Michels' view, will inevitably invest in the preservation of capitalism, while the rank and file will necessarily pursue radical social change.

As Cook (1971) pointed out, Michels' thesis rests upon two highly questionable foundations: namely, a) a theory of leadership in which self-interest accounts for the growing unrepresentativeness of the leadership and its quest to perpetuate itself in power; and b) a view of the working-class as revolutionary and necessarily pursuing class interests that enter into conflict with the "status-quo" interests of the leadership.

It might be argued that in the light of contemporary knowledge, Michels' simplistic notions of "interest" and of the distribution of power have been superseded. Another critical assessment of Michels' thesis is given by Hill (1981:135) who suggests that goal displacement and oligarchic tendencies are not inevitable outcomes of trade union organisation. Hill addresses two issues to put his case. First, unions have been weaker than employers for most of their existence, and this has greatly influenced how union

Leaders have pursued their objectives: in order to win acceptance from employers, unions have normally had to moderate their radical goals. Conversely, when unions are relatively strong, they may be able to pursue their members' full range of interests.

The second idea suggested by Hill (1981:137) that questions the "inevitability" of oligarchic rule is the fact that union members can effectively veto union leaders' policies which require them to act or react in relation to their base. This takes place even when the rank and file cannot compel the union leadership to pursue policies more consonant with their own aspirations.

These criticisms contribute to a more thorough study of the union issue vis-a-vis the workings of contemporary unions and the general and significant shift in the political goals of the working-class. Nevertheless, Michels' thesis continues to have relevance as an agenda for debate, particularly with regard to his central question of the extent to which "goal displacement" is an inevitable aspect of workers' organisation or can be avoided by appropriate institutional arrangements (8).

Several authors have sought to respond and elaborate this basic theme, concentrating on the formal aspects of trade union governance. Edelstein and Warner (1979), for example, concentrated on the preservation in office and

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8. According to Hill (1981:133), goal displacement is a process whereby union members' goals are subordinated to other interests. Goal displacement in other words, is a process of divergence between the union base's conception of interests and the official policies of the leaders in office.

membership participation and competition in elections as an indicator of union democracy. Martin (1968, 1978) centred on the effectiveness of opposing union faction (9). The author suggested a model with a set of variables which were considered to constrain or favour the tolerance by union leaders of opposition union factions (10).

In an attempt to operationalise this strand of the debate on union democracy, Roxborough (1984:133-134) has outlined four indicators by which union democracy might be assessed, covering areas which other authors have discussed individually. For Roxborough, although no indicator is infallible in itself and cannot be accepted individually as an indicator of democracy, taken together they constitute a reasonable indicator of formal union democracy. These indicators are:

1) existence of contested elections:

"where elections are not held or are not contested, the leadership may be popular and representative of the membership, but such a system would not usually be termed democratic. Long periods of unchallenged leadership almost certainly point to oligarchy"

2) turnover of leaders:

"although one leader might be sufficiently popular to

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9. For a more recent appraisal by Martin on the subject of union democracy, see Undy R. and Martin R., Ballots and Trade Union Democracy, 1984.

10. For a critical empirical rebuke of Michels' thesis, see Lipset, S. Trow, M. and Coleman, J. Union Democracy. The Internal Politics of the International Typographical Union. 1956. For a Marxist view of the problem of union democracy see Hyman, R. Industrial Relations. A Marxist Introduction. 1975. For a more recent debate about union democracy and organisation, see Fosh, P and Heery, E. Trade Unions and their Members. 1990.

assure continual re-election, this situation should be relatively rare, and low turnover may imply the absence of democracy".

3) closeness of elections:

"provides evidence of the strength of opposition, including its ability to influence union policy or defeat incumbent leaders".

4) existence of permanent and organised oppositions:

"This fact is linked to elections. The greater the degree of organisation and the more permanent the opposition, the greater the probability that the opposition will be able to influence the leadership".

Although this framework proposed by Roxborough organises an important dimension of the problem of union democracy, it deals exclusively with the institutional side of union life and ignores factors such as the ideology of trade union leaders and pressure from the membership which may also be significant (Hill 1981:135-41). It does not address the informal, less visible day-to-day dynamics on the shop-floor. This constitutes a central problem for this research. Since the "new unionism" in Brazil proposes a new type of relationship between union leaders and shop-floor workers, grounded on the demands of the shop-floor and on active participation and representation of the rank and file, any comprehensive assessment of the past ten years must focus on the shop-floor activism, the ideologies of trade union leaders and the work situation, as much as on the institutional life of the union. Management's strategy to organise work, wage and employment policies and the location of the plant in the broader economic market, are all elements which appear as important, once the focus is directed to the shop-floor. The question then is how to articulate these

different elements so that the factory and shop-floor are given their own due importance while also being located within the broader social context? Perhaps the best complementary framework for this purpose is the one suggested by the labour process debate. In the following section I will discuss in particular three major contributions from that debate: first, Burawoy's (1987) introduction of the idea of politics into the arena of the shop-floor; second the studies of the so-called process industries such as steel, which show the general tendencies of management strategy and employment policies; and third, the debate on flexibility, which has furthered illuminated the particularities of the process industry and the general tendencies of managerial policies for the workforce.

### 3. Frames of Reference. The Labour Process Theory

#### 3.1 From Braverman to Burawoy

Labour process theory provides a general framework for understanding the capitalist organisation of work, by bringing the investigation to the point of production. Braverman's significant development of theory in this field has been extensively revised and expanded since the publication of his Labor and Monopoly Capital in 1974 (11).

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11. For critical debates around labour process theory see Littler, C. and Salaman, G. "Bravermania and Beyond: Recent Theories of the Labour Process". Sociology. (1982); Wood, S. The Degradation of Work?. 1982, and Cohen, S. "A Labour Process to Nowhere?". New Left Review. 1987. For more recent



Braverman's work has become widely known among non-specialists in labour process theory for its propositions on the increasing division between manual and intellectual labour, the process of deskilling and the expansion of managerial control over labour. With the development of the debate, these last two propositions have been criticised and enriched by analysis which shows, for example, that there has not been an inexorable process towards deskilling or that management control does not evolve in an omnipotent and linear way, as initially thought. Despite its limitations, I wish to show that labour process theory can still offer valid propositions into work-related conflicts in a capitalist society.

One of its basic propositions, which is of direct interest to this study concerns "the central indeterminacy of labour potential" (Littler 1982:31). This proposition holds that there is a basic distinction between labour power and labour: when labour power is purchased by capitalists in the market for the operation of the production process, what is bought is labour power as potential labour power. The willingness of the workers to work and their actual engagement in the production process are areas open to dispute. Managerial policies for the organisation of

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appraisals of the validity and purpose of the theory, see Wood, S. The Transformation of Work? Skill, Flexibility and the Labour Process. 1989; Knights, D. and Willmott, H. (Editors). Labour Process Theory. 1990; and Friedman, A. "Strawmania and Beyond. The Development of the Labour Process Analysis and Critique". Eighth Annual Labour Process Conference. Birmingham. 1990.

production are a response to this problem, but the actual outcome will depend on conflicts and negotiations between workers and management.

The division of labour, work arrangements, job descriptions, systems of discipline and rewards, the internal labour market, systems of pay and job control are all arenas in which this basic conflict is played out. In my view one of the most important contributions of labour process theory has been to show how this basic conflict is a reality in day-to-day factory life, in what I call shop-floor politics, and not only as an institutionalised dispute of the organised rank and file and their union leaders. The institutionalised level is only one aspect of the conflict, not the complete picture.

The other side of the coin to the idea that conflicts are played out at shop-floor level is the recognition that workers are partially tied to the interests of capital which employs them. It follows that some level of consent is created at work which legitimises the relations between labour and capital. As stressed by Littler (1982:17) a factory reveals at one and the same time relations of conflict and exploitation and relations of co-operation and integration.

The development of studies concerning the "indeterminacy of labour potential" is related to a re-evaluation, within non-orthodox Marxist literature, of the view that the factory is exclusively an arena of domination and exploitation. In the past, the factory was reduced to its economic rationality (capital valorisation), and since capitalism reproduced

itself in this process, it was thought that any counter-movement to the domination of managers and the exploitation of the capitalist system, could only be found outside the factory gates, in the institutionalised movement of workers' collective action.

Analysis conducted within that framework would concentrate upon unions and party politics and take organised and institutionalised labour, as their sole focus. I in no way wish to deny the importance of institutionalised arenas, since it is in fact through unions and political parties, that the workers as a class play a role in national politics. What is proposed in this thesis is rather a complementary perspective in which the micro-level of workers' politics be analysed in addition to the institutional aspects of unionism.

This type of contribution, however, will be found not in Braverman himself but in other authors within labour process theory. One major criticism of Braverman's initial analysis is generally known as "the missing subject" debate (Friedman 1990:25, Wood 1982:12-15). This refers to the view that Braverman omitted the concrete struggles and organisation of the working-class - at factory and union levels - which existed in the process of capitalist development that he was describing.

Thompson (1990:114) disagrees with this criticism and suggests that workers' resistance and class struggle are present in Braverman's work, as an "unseen constant or hidden hand" in the development of capitalist production. In fact,

Braverman (1974:26-27) himself was aware of this problem when he stated that :

"No attempt will be made to deal with the modern working-class on the level of its consciousness, organisation, or activities. This book is about the working-class as a class in itself, not as a class for itself. I realise that for most readers it will appear that I have omitted the most urgent part of the subject matter".

As pointed out by Wood (1982:14-15), although Braverman thought he had justified his methodological option, it resulted in a theory with a rather "conspiratorial" tone, since capitalists appeared as organised and united while workers appeared as a reflection of the "objective conditions" of capitalist development. What was missing from Braverman's analysis was a framework capable of showing the micro-processes of struggle and resistance on the shop-floor, as well as workers as agents in their social reality.

Burawoy's work (1979a, 1987) has been widely acknowledged as having introduced the "missing subject" into labour process analysis (12). Within his theory, two propositions are particularly helpful in addressing the research problems that concern us here (13). First, within

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12. Although they write within different theoretical frameworks, it is worth mentioning the important contribution of Tilly, C. From Mobilisation to Revolution. 1979 and Johnson, J. "Symbolic Action and the Limits of Strategic Rationality: On the Logic of Working-Class Collective Action". Political Power and Social Theory. Vol. 7. 1988 on the rationality of working-class collective action; and the more recent work of Fantasia, R. Cultures of Solidarity. 1988, as approaches in which the working-class is taken as a rational social actor.

13. For two reviews on Burawoy's Manufacturing Consent. 1979a, see Roy, D. "Book Review" in Berkeley Journal of Sociology. Vol XXV. 1980 and Peck, G. "The Labor Process According to Burawoy". The Insurgent Sociologist. Vol 11.

his non-teleological view of the outcome of class conflict, Burawoy (1987:5-8) attests the importance of workers' intervention in production and society but abandons the idea of the proletariat necessarily pursuing "the historic mission of emancipation" (14). His perspective therefore requires that "real workers be examined in their productive circumstances in periods of turbulence as well as of passivity". This view contrasts sharply with orthodox Marxism's perspective of defining a-priori the outcome of class struggle and then judging the extent to which workers have been successful or not.

The second major contribution by Burawoy is the concept of politics of production which, as pointed out by Thompson (1990:117-118), has confronted two orthodox views: "one in which only the state arena is a political terrain; the other of a solely economic base, with a superstructure which is the realm of subjectivity".

According to Burawoy (1987:8), the concept of "politics of production" is an attempt to expand the understanding of production beyond its purely economic moment so as explicitly to include politics. The politics of production are struggles

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Fall 1982. For a review on Burawoy's Politics of Production. 1987 (first edition 1985), see Mouzelis, N. "Factory Regimes in Comparative Perspective". Contemporary Sociology. Sept. 1986.

14. This point has also been taken by Littler and Salaman who state: "If one assumes a universal worker resistance to capitalist control, it obscures the essential variability of worker resistance; some changes are resisted more than others, some groups resist more than others, some groups achieve a "negotiated order", whilst some groups become a privileged elite". See Littler, C. and Salaman, G. op. cit. 1982 page 256.

over or within relations of structured domination, struggles which take as their objective, the quantitative or qualitative change in those relations. Politics of production in Burawoy's (1987:254) definition are "struggles waged within the arena of production over relations in and of production and regulated by production apparatuses".

### 3.2. The Labour Process and Process Industry

The case study of this thesis is based on steelworkers from a modern and integrated steel company. Integrated steel plants are classified in the literature as a process industry by virtue of their characteristic production process and technologies involved. In this section I will define the most important features of process industries and pinpoint the general tendencies of workforce management, as suggested in the literature. These propositions will be used in the thesis as an abstract framework, to be compared with the research material.

A process industry is defined by Aylen and Clarke (1985), as one which executes physical-chemical reactions over raw materials in order to obtain the final product, through a fixed sequence of machines. The production process in the integrated steel plant, is the result of different phases of production, each one a semi-autonomous production cycle. As pointed out by Guimarães (1989:1) the continuity of the process is never absolute and for this reason it is more appropriate to call these industries semi-continuous. In the

production of steel for example, there are four basic stages: 1) the treatment of iron ore and other minerals for blast furnace use; 2) the production in the blast furnace of pig iron; 3) the steel making per se and 4) the shaping and finishing of steel. In this sequence of steel-making then, there is still a high level of non-integration between different stages of the production cycle.

Owing to the nature of the material to be produced - such as steel or chemicals - and the nature of the production process, ie, physical-chemical reactions, human labour does not intervene directly over the product, but indirectly by monitoring, controlling and repairing machinery (15).

Another characteristic which derives from the nature of the production process is the increasing use of automation. According to Guerra Ferreira (1988:2), this tendency is related with the attempt to improve the product quality and to reduce the discontinuities between the separate phases of the production cycle.

Despite this trend towards greater automation, continuous process industries are also characterised by frequent variations and alterations in the production process which technology itself has not been able to master. This renders management dependent upon workers' intervention to assure the continuity of the production process.

Of the many tendencies pointed out by the theory on continuous process industries, two are of most interest from

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15. Besides steel, other examples of process industries are: chemical, oil refining industry and paper manufacturing.

the point of view of the politics of production and the construction of the object of the thesis (16).

The first such feature of process industries is their profitability pattern. In contrast to industries of mass production of discrete products, where productivity bears relation with the workers' rhythm of production and the volume produced, in continuous process industries, productivity is to a great extent independent of the rhythm of work. According to Borges (1983:22-24), it is directly related to the level of integration of the many separate phases of the production process and the continuity of the cycle of production. Moreover, since the industry is based on high investments of fixed capital, the other fundamental aspect for yielding productivity and profit is the greatest possible use of its installed capacity. Greater continuity of the production cycle is dependent on the level of technology and automation of the plant and on the intervention of "strategic" workers.

This brings us to the second general characteristic of interest here. Process industries help to create a workplace where the intervention of certain groups of workers becomes fundamental to the continuation of the process of production.

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16. I am aware of the danger one faces of falling into a "technological determinist" argument, when relating type of technology with managerial policies. What I seek to show is the particular characteristics of the skills needed for the production of steel and the underlying challenges for management, due to the nature of the products and the process of production of process industries. I will show in the following chapters how the "general trends" outlined in this introduction are played out vis-a-vis market competition, employment policies and shop-floor politics.



These groups of workers will be called "strategic" because their intervention and discretion is needed either to change the course of a certain process or to maintain the machinery in appropriate operation. Workers' intervention is "strategic" in reducing the number of stoppages and discontinuities in the production process and hence in assuring greater integration of the different phases of the production cycle. This point raises interesting issues for the management of the workforce and for the type of "differentiations" which emerge between workers.

As pointed out by Guerra Ferreira (1988), Guimarães (1989) and Borges (1983), because "strategic workers" have a key role in supporting the continuity of the production process, managerial policies will seek to "stabilise" this group of "core" workers, creating a particular type of internal labour market. At the same time, management will try to implement flexibility policies of job-redesign to improve workers' level of motivation and willingness to intervene in the course of production, as well as help to bring down manning levels and allow for the further automation of the plant.

### **3.3. Flexibility Policies and Process Industry**

The issue of flexibility appears in this section within the context of management policies towards core workers in process industries. Labour process theory was originally based on the Fordist paradigm, which refers to industries of

mass production of discrete products. Process industries, by contrast, produce by batch and cannot implement Fordist type managerial policies. The discussion on flexibility originated as an attempt to address what came to be known as the "crisis of Fordism" in the mid 1970s, a crisis which involved changes in markets and technology and a decline in productivity rates (17).

In very general terms, the flexibility debate responded to this crisis by focusing on rigidities in labour and employment patterns found in Fordism, as well as changing relationships between firms in regard to component suppliers and the nature of inter-firm competition (18). The original

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17. As pointed out by Tolliday and Zeitlin, by the mid-seventies the post-war boom had slowed in many Western countries, with a small but visible slow-down in productivity and rates of economic growth. At the same time, Japan presented a challenge by its expanding market share in many mass consumption goods, particularly automobiles and electronic goods. Tolliday, S. and Zeitlin, J. "Introduction: Between Fordism and Flexibility". The Automobile Industry and Its Workers. 1986 page 12.

18. I am aware that the flexibility debate is complex and contentious. I will not enter into it in all its depth since it is not within the scope of this thesis to address all the political, economic and social implications of this debate. It is worth noting however, that the "flexibility debate" does not belong exclusively to the arena of labour process theory. Piore and Sabel (1984) for example, have created an autonomous debate, and have coined their own term "flexible specialisation". There is also the analysis of the French authors on the Theory of Capitalist Regulation. This latter analysis tackles the crisis of Fordism from a different perspective than labour process arguments by encompassing issues of production, patterns of consumption and social forms of capitalist regulation by the state. Notwithstanding this consideration, I discuss them under the "labour process debate", as suggested by Wood (1989:20), because these theories depart from a common ground, ie, the crisis of Fordism as a system of mass production and mass marketing. See Piore, M. and Sabel, C. The Second Industrial Divide. Possibilities for Prosperity. 1984; and Wood, S. op. cit.

arguments in the flexibility debate in the 1980s have become more complex over the years. One important point of change for example, dealt with the idea that Fordism had led to problems of control over the workforce by management and that new technologies and job redesign offered a solution to this problem. The 1980s, with the recession in many Western economies, large scale shedding of labour in industry and the threat of unemployment have resulted in a shift in the power of trade unions and has changed the focus of analysis.

As pointed out by Humphrey (1989:6), while in the 1970s the crisis of Fordism was held by analysts to be greatly located in the rigidities of production, there was a shift of emphasis in the 1980s on the problems of rigidity in relation to demand. In the earlier diagnosis of production rigidity, it was assumed that the Fordist model of mass consumption with its assembly line necessarily led to the increasing segmentation and intensification of work and hence to problems of workforce motivation and absenteeism. Management then responded to the problems of motivation and control of workers by increasing the use of machines and technology. This process was accompanied by the redesign of jobs including experiments with functional flexibility and the introduction of work teams.

In the 1980s, the diagnosis of the Fordist crisis was enriched by a focus upon issues of competition and changing patterns of consumption. It was argued that, as markets became saturated, there was a greater emphasis on quality and

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1989.

product diversification (Humphrey 1989:6 and Tolliday and Zeitlin 1986:12). This trend pressed for further flexibility and a shift away from rigid technologies, as well as further changes in working practices and rigid job demarcations.

The term flexibility, which is often used in a very general way, can refer to different features of both machine and labour utilisation. It has also been used to refer to a paradigm comprising a macro-economic alternative to mass production, as suggested by Piore and Sabel (1984:268) (19).

On the other hand, the flexibility debate can be located within labour process theory and can refer to different

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19. The debate initiated by Piore and Sabel (1984) was raised with a specific point in mind: the decline in economic growth in North America and the questioning of the idea that the model of mass production of discrete products was an inexorable historical outcome. It was suggested by the authors that economic deterioration resulted from the limits of the model founded on mass production. As an alternative, the authors suggested a change in the model to a new economic regime, which they termed flexible specialisation (Piore and Sabel, op. cit. 1984 page 4).

According to Piore and Sabel, flexible specialisation is defined as: "networks of technologically sophisticated, highly flexible manufacturing firms (...) based on multipurpose equipments, skilled workers and the creation of an industrial community favouring innovation and inter-dependency between firms" (Piore and Sabel, op. cit. 1984 page 17).

Many critiques have been made to the flexible specialisation proposal. Wood (1989:16-19) has remarked on the authors' concentration on the potential of new technology, as if all new technology was inherently flexible and that this flexible potential could be fully used. Schmitz (1989:10-16) has criticised Piore and Sabel for equating mass production unproblematically with rigidity. In the light of new technology such as "flexible automation", Schmitz argues that the straightforward distinction between mass production and flexible specialisation has become blurred. For more details see Wood, S. op. cit. 1989 and Schmitz, H. "Flexible Specialisation - A New Paradigm of Small-Scale Industrialisation". IDS Discussion Papers. No. 261. May 1989.

aspects of economic activity (Wood 1989 and Humphrey 1989). The different forms of flexibility include: flexibility of production; flexibility of employment practices; functional flexibility and flexible inter-firm relations (20).

Given the critical assessment of the whole flexibility debate by the end of the 1980s, authors are currently pointing to the need for greater rigour in the formulation of these concepts and for a move beyond the polarisation whereby flexibility is located at one extreme and Fordism at the other. Indeed authors like Humphrey (1989:7) and Wood (1989:28-30) have recently indicated that there is considerable flexibility in Fordism and that it should be possible to admit the importance of flexibility without having to assume with it the end of mass production (21). Making a similar argument from the flexible specialisation stance, Hirst and Zeitlin (1991:6) have suggested that mass production and flexible specialisation are ideal-typical models and neither model could ever be wholly predominant in time or space.

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20. For a detailed account of these different aspects of flexibility, see Humphrey, J. "New Forms of Work Organisation in Industry: their implications for labour use and control in Brazil". Conference Paper. Sao Paulo. 1989 pages 8-10 and Wood, S. op. cit. 1989 pages 1-2.

21. Another contemporary trend in this debate, is the attempt by authors such as Humphrey (1989) and Silva (1991) to discuss in a critical view the possibilities of "transferability" of Japanese practices in competitive industries in Brazil. For more details see Humphrey, J. "New Forms of Work Organisation in Industry: the implications for labour use and control in Brazil". Conference Paper. 1989 and Silva, E. "Remaking the Fordist Factory? Technology and Industrial Relations in Brazil in the late 1980s". 1991.

A final point of particular relevance to this thesis is in order. The "flexibility debate" has so far focused either on industries producing under the Fordist model of mass production or on craft production and has significantly failed to address how the economic downturn and new patterns of competition affected and changed process industries such as steel, chemical and paper manufacturing (22). As noted, the "flexibility debate" has still much to contribute to an understanding of how process industries have responded to the economic crisis and changed their practices. Attempts have been made by author such as Kelly (1982), to reflect upon the flexibility debate for process industries. In a work based on experiments in "job redesign", Kelly (1982) has researched on examples of job redesign in consumer goods industries, process industries and among clerical and white-collar work (23). Kelly (1982:113-129) has shown how attempts to introduce work flexibility in process industries, led to experiments in flexible work groups and vertical role integration. These experiments were carried out in the 1950s in chemical plants and paper mills.

Kelly's book questioned the idea, as suggested by industrial psychologists, that job redesign was a response by management to personnel problems such as lack of motivation

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22. Piore and Sabel (1984) are an exception here. They have discussed in their book how some new developments in process industries such as steel and chemicals can be understood as emerging examples of "flexible specialisation".

23. The experiments in job redesign may be understood as attempts to increase the flexibility of labour by changing rigidities in job demarcations and work arrangements.

and absenteeism of the workforce. The author argues instead that changes in product markets were more significant in explaining the origins of job redesign than labour-market issues (Kelly 1982:vi and 206). After a comparison between experiments, the author concluded that the so-called "humanisation of work" was an attempt to respond to competition over product markets and that this competition was intensified by recession (Kelly 1982:206).

Kelly's book has contributed to the "flexibility debate" in two important ways. First, it demonstrated with empirical evidence that attempts were being made as early as the 1950s to increase the flexibility of labour in mass production industries. This reinforces the argument put forward more recently by Humphrey and Wood about Fordism, namely that mass production and flexibility are not polar opposites and that there is a variable degree of flexibility in Fordism. Secondly, Kelly's work begins to take up the hitherto incipient debate on flexibility in process industries, which will be of significant use in analysing the case study.

#### **4. Union Democracy and Shop-floor Politics. Specifying the Object of Study**

If we take as our starting point the definitions of union democracy proposed by Michels and Roxborough (1984), it may be hypothesised that the bureaucratic type of union leadership which predominated in Brazil until the late 1970s

constituted an oligarchy and imposed an undemocratic form of union rule. The bureaucratic unions allowed for very little competition, given the general political repression in the country and the absence of effective institutional channels for any opposition to present its challenge. On the other hand, given the arrangements of the corporatist labour laws of the time, the union leadership was given material and political support by the state, irrespective of the low level of representation amongst the rank and file, as long as they acquiesced in the status-quo, namely, the corporatist regulations themselves.

The "new unionist" movement, on the other hand, questioned from its very inception the alliance between union leaders and the state and proposed a different form of power distribution within the union. The representativeness of the new union leaders was sought not outside the confines of the union, but from within the rank and file. Thus, instead of a basic antagonism of interests between leaders and base, as in the former bureaucratic unionism, there was suppose to be a large area of common interests between union leaders and rank and file. Furthermore, as "new unionism" tried to break with the corporatist labour laws and to introduce democratic forms of union government, this should allow for a situation in which the leadership is in office only as long as it represented its members' interests.

After ten years of "new unionist" politics, in which the movement has spread to other working-class groups and other regions of the country, this thesis will address the question



of whether the movement has in fact been able to develop a democratic union or, whether, as time has passed, it has also fallen, albeit under new grounds, into the "iron law of oligarchy".

Thus, taking the above question as a central problem of the thesis, I would suggest that two other important aspects of union democracy have been overlooked in the literature reviewed up to now. One is the nature of the internal organisational structure of the union. The other is the relationship between shop-floor politics and union demands. I will look into each issue in detail as follows.

#### 4.1. Union Democracy and the Organisational Structure

Although the internal organisation of a union is closely related to the type of rule practised by the leadership, it may be considered a distinct area of analysis within the discussion on union democracy. By the structure of internal organisation I mean the union's administrative outlook, its financial base, the process of decision-making, the channels available for membership participation and the type of activities proposed by the union on a day-to-day basis.

It would appear that the form of internal organisation not only results from the type of union goals and the political orientation of the officials in power, but is also influenced by the constraints imposed by the industrial relations system. The corporatist labour system in Brazil, for example, regulated up to 1988 all the financial affairs

of unions, including the ways in which dues could be used and the union's administration could be structured. The research question to be raised therefore, is if and how the "new unionist" leaders changed the internal organisation of the union, vis-a-vis the constraints imposed by the Labour Law.

Another important issue related to internal organisation of a "new unionist" union is the way in which representation is exercised. The new movement was greatly inspired by left wing ideas of "direct democracy" for which shop-floor organisation was seen as the best form of representation and voting in mass meetings was seen as the best form of decision making (24). It may be the case, however, that as "new unionist" leaders consolidated their power inside the unions, they had to develop more complex forms of representation to cater for their own institutionalisation within the unions. One area of investigation, therefore, is to see how the proposals regarding forms of representation have developed over the years (25).

Finally, another important issue regarding the internal organisation of a "new unionist" union is the emphasis on the

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24. For a good review of the origins of the ideas of "direct democracy" and shop-floor representation within the left wing labour movement, at international level, see Castoriadis, C. A Experiência do Movimento Operário. 1985.

25. As pointed out by Hyman, those who subscribe to the "passive" view of democracy, will most likely concentrate on the arrangements for representation of power. Those who subscribe to "active democracy" will most probably concentrate their analysis in respect to direct participation and the nature of the decision making process. For a good discussion on this issue see Hyman, R. The Workers' Union. 1971.

union as a vehicle for militancy and direct action of its members, as distinct from the union as a provider of welfare services. If we consider that the corporatist legislation emphasised the welfare use of the union and that bureaucratic unions substituted for direct collective action by granting widespread welfare services, it is possible to regard the types of policies and activities put forward by the union, as an important indicator of its political orientation.

#### 4.2. Shop-Floor Politics and Union Demands

As I have indicated, a proper assessment of ten years of the "new unionist" movement must focus on the shop-floor because of the very nature of the demands and dynamics of the movement. The framework proposed by labour process theory, especially its propositions concerning process industry and flexibility policies, will allow us to analyse the shop-floor not as a self-contained system but as inserted within a wider technological and economic context. Burawoy's concept of "politics of production" allows us to understand the conflicts played out on the shop-floor as a political expression of informal movements, which have not yet become institutionalised by the union. With these considerations in mind, I would like to suggest that the level of representativeness of the union leadership can be related with the extent to which the agenda posed by the "politics of production" either changes the policies of union officials and/or, is transformed into formal demands to management or

to the state. The nature of the "politics of production" and the response given by management are related not only to the role of organised labour in the wider society but also, as suggested by labour process theory, to the type of competition in which the company in question is engaged and to its prevailing policies of workforce management.

#### 4.3. Final Remarks

To summarise this discussion of "union democracy", I would suggest that Michels' problem as to whether goal displacement is an inevitable outcome of workers' organisation and Roxborough's four indicators of union democracy, should be complemented by two other propositions: namely, 1) that the nature of the internal structure of organisation of the union be taken as a fifth indicator, and 2) that the extent to which the union leadership takes up issues raised by the "politics of production", be taken as a sixth indicator of union democracy.

### 5. The Case Study:

#### 5.1. The Selection of the Case

The steelworkers from National Steel Company and their union, the Metalworkers' Union have been selected for the case study on the grounds that they constitute a "critical

case" of a "new unionist" union (26). Although the plant in question has been in operation since 1946, it was only after the victory of the union opposition in 1983 that the first strike among its manual workforce took place.

Since then, there have been nine strikes at the plant, with ever greater radicalisation expressed in actions such as plant occupations and the expulsion of management from the shop-floor by the workers. On four occasions - October 1986, December 1986, August 1987 and November 1988 - the Brazilian Army intervened to end the strikes and occupations by repressive action. In the last confrontation, in November 1988, three steelworkers were killed and many more were injured. This violent episode produced a wave of mobilisation among a broad spectrum of social groups in the country. This mobilisation, together with a general disavowal of the government's economic policies, might explain the widespread left wing vote in the legislative elections of 15 November 1988. In this election the candidate from the Workers' Party (PT) won the office of Mayor, in São Paulo, Brazil's most important state in economic and political terms.

At the shop-floor level, informal activism had been taking place some years before the "new unionist" group took office, in 1983. In 1979, and even earlier according to some accounts, a "Union Opposition Group" was born at the shop-floor. But owing to fierce repression by management and the

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26. By critical case is meant an empirical situation which meets all the conditions for the testing of a theory, whether it confirms, challenges or extends that theory. For more details on "critical case study" see Yin, R. Case Study Research. Design and Methods. 1989 page 47.

hostility of the bureaucratic union leaders of that time, the "Union Opposition" initially remained an underground organisation. Only later was it able to grow in strength as an official, ie. open, union opposition and to challenge the official leadership in union elections.

After 1983, when the "new unionist" leaders won office, they sought to change the internal structure as well as the system of decision making and power distribution in the union. They also made repeated attempts to expand the number of activists on the shop-floor, to encourage shop-floor organisation of workers and formalise these movements through the recognition by management of "shop-floor committees". Finally the new leadership sought new ways of carrying out its union politics through "direct union democracy" and a greater transparency of its own practice in office.

This whole orientation generated a series of problems and dilemmas which over the years led to splits and direct conflict between workers, activists and leaders. All these dimensions will appear in the main body of the thesis, based on evidence generated from in-depth interviews and direct observation. Although such material is not taken at face value but is checked against other sources wherever possible, the opinions, perceptions and evaluations of steelworkers and their leaders have been used as an important source of information.

## 5.2. The Time Span of the Research

The research focuses on the period from 1979, when the opposition group was officially constituted, up to January 1990. The latter date may be seen as marking the closure of a cycle, for three main reasons. It was in January that the sixth annual agreement was signed between union and company managers, containing clauses of a democratic nature such as the access of union leaders to the steel plant, the transfer, of company information and data to the union for the first time and the election of a worker to the post of president of the CIPA - Comissão Interna de Prevenção de Acidentes (Internal Committee for the Prevention of Accidents) (27).

Another important feature of this period was the conclusion and implementation of new statutes for the internal organisation of the union, which for the first time introduced formal channels permitting greater transparency and accountability in the running of the union. This was done through the introduction of a collegiate ruling of the union, as opposed to the presidential structure as well as through the legal representation for intermediate shop-floor leadership (28).

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27. These issues are listed in the annual agreement signed on January 9, 1990, as clauses 17, 21 and 24 respectively.

28. The formulation by the union of new statutes was a direct result of the promulgation, in October 1988, of the new Brazilian Constitution. As discussed in greater length in Chapter 2, the new constitution significantly eliminated the Ministry of Labour's control over the unions. It was no longer necessary, for example, for the Ministry to approve union statutes. Moreover, for the first time in Brazilian history, the new Constitution allowed for legal shop-floor

Finally, January 1990 marked the beginning of a new period for state-sector workers in general and the steelworkers of the National Steel Company in particular. The newly elected Brazilian President Fernando Collor de Mello committed himself publicly to a policy to privatise many publicly owned plants, starting with the National Steel Company. This threat posed new challenges for the union leadership and the rank and file in Volta Redonda, forcing them to redefine their goals and tactics. This new period however, is a separate research subject and will not be addressed in this thesis.

### 5.3. The Issue of Generalisation from the Case Study

Although there are particular characteristics of the politics of state-owned company employees, I would argue that this does not mean that the relevance of the case study is limited to unionism in state-owned companies. The argument has two main foundations. First, the selection of the case was based on the fact that it bears the theoretical characteristics of a "new unionist" union, as defined previously in this Introduction. The criteria were, as we have seen, a high level of militancy, a search for greater representation of the rank and file, a critique of the corporatist relations and the attempt to overthrow them.

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representation. This clause is contained in article 11, under the heading Social Rights of the new Constitution. Source: Constituição da República Federativa do Brasil. Ediouro. 1988.



Second, the possibility of generalisation from this case study is strengthened by the fact that the divisions within organised labour in Brazil are not grounded on distinctions between traditional and modern sectors, private and public sectors or skilled and non-skilled workers. The "new unionist" movement expanded throughout the country in the 1980s, through the emergence of "union opposition groups" competing for union executives. Either they were successful and replaced the bureaucratic leaders and created a "new unionist" union, or they were not successful and the union remained a bureaucratic one. Moreover, as the "new unionist" movement began to split into different workers' confederations, the crucial divisions did not involve regional or sectorial distinctions, but a difference of views about the union's role in a more democratic type of society.

In this respect, I will try to show that the problems and dilemmas of union democracy raised in the research are illustrative of other "new unionist" settings around the country. However, since this study is not comparative, it is argued that the conclusions arrived at, should be tested vis-a-vis other "new unionist" unions.

## **6. The Structure of the Thesis**

### **6.1. Research Questions:**

Concentrating on the period between 1979 and the beginning of 1990, the thesis will seek to answer the

following set of research questions.

1. In relation to the case study in question:

- a. What types of informal shop-floor conflicts were found in the case study, during the period in question?
- b. How do the shop-floor conflicts relate with the organisation of work and with management workforce policies ?
- c. How do workers assess the effectiveness of the union and how do they rate their leadership in comparison with the former pro-status-quo leadership and in dealing with conflicts outlined in a and b?
- d. How are the disputes and splits among union leaders, activists and steelworkers explained and justified?

Finally,

- e. How is the "new unionist" union appraised in regard to the six indicators of democracy formulated above ?

2. In regard to national level issues:

- a. Does "new unionism" constitute a sharp break with the former bureaucratic form of unionism or does it show elements of continuity? What aspects, if any, have remained from the former pro-status-quo unionism?
- b. Is it possible to address the "new unionism" at the National Steel Company as a second phase of a process initiated a decade earlier by the ABC metalworkers? If so, in what ways has the second phase of new unionism advanced over the first?
- c. What role in national politics has been played by the unions under "new unionism" and their central labour confederations, in the process of transition to democracy? Has "new unionism" been able to expand the scope of workers' participation in society as fully constituted citizens or are workers still under the constraints of "regulated citizenship"? Has "new unionism", in its second phase, questioned the structure of corporatist control or is "neo-corporatism" being constructed?

## 6.2. The Format of the Thesis

The format of the thesis has followed the "opening-out" approach as suggested by Dunleavy's (1986:119) typology of "writing-up models". This introduction has outlined the object of the thesis and the theoretical questions which apply to the issues being investigated. Chapter 1 discusses the research design and fieldwork. It starts out from my personal experience in the field and tries to systematise the problems and challenges of engaging in research on a sensitive topic such as unionism and politics, in a working-class town.

Part One of the thesis is made up of two chapters which provide for the scene-setting of the case study. Chapter 2 outlines the historical background of the industrial relations in Brazil, defining the corporatist system and setting out the main points of the CLT Law. After tracing the fate of the union movement under populism, it follows the major changes after the 1964 military coup and the rise of bureaucratic unions. It then presents the period of birth of the "new unionist" movement as well as its major developments in the 1980s. Chapter 3 presents a short history of the National Steel Company since 1946 and the main features of the company-town model which predominated up to the 1960s. It is argued that the progressive reduction imposed by the government in benefits for state-sector employees, the general expansion of the educational system and the growth of the steel labour market can account for a

fundamental change in the identities of different generations of steelworkers. In this chapter the relations between management, steelworkers and union leaders at the National Steel Company are located within the wider context of the economic structure in Brazil. It is suggested that the state-owned steel sector operates within a "structural contradiction", being at once a capitalist company and an instrument of macro-economic policy. The chapter ends with an outline of the company's employment policies in the end of the 1970s.

Part Two then moves from the historical background to the substantive empirical material of the case study. It is made up of three chapters, each concentrating on a particular period of the case: 1979-1984 in Chapter 4, 1985-1987 in Chapter 5 and August 1987-1990 in Chapter 6.

This periodisation is based on the developments in the union movement, the conflicts on the shop-floor and the company policies put forward in the different periods. The protagonists of the three chapters are the steelworkers and management from the National Steel Company and the union officials and activists from the Metalworkers' Union. Each chapter offers a micro-level analysis of political developments in the process of building a "new unionist" union, at the same time that it focuses on the conflicts and changes that were taking place on the shop-floor. The research findings regarding the issue of union democracy are presented by way of showing the development of splits between union factions, the evaluation of the union leadership made

by the rank and file, and the types of problems and dilemmas faced by the "new unionist" union.

The reader will find that in these three case-study chapters, the presentation of managerial policies precedes the discussion of shop-floor conflicts and the politics of the "new unionist" union. This order of analysis derives from the view expressed in this Introduction, that shop-floor politics are a core element in the analysis of union politics. Although I do not wish to argue that all political developments at the union level were the result of the developments at the shop-floor, I depart from these latter developments because the managerial policies practised at each period were the source of many shop-floor conflicts and influenced the level of penetration of the union and the organisation of the workers on the shop-floor.

At the same time, however, the goals and political orientations of union leaders and the dynamic in which they were involved as "new unionist" leaders, also influenced the course of events on the shop-floor and inside the union executive. Government wage policies, the process of democratisation which the country was undergoing at the time, and the general disputes of organised labour at national level, were further elements in the framework influencing the course of events at shop-floor and union level.

Indeed, it is a difficult challenge to grasp an extremely dynamic empirical process in which the shop-floor, the local and the national level interact and influence each other, and, at the same time, to present it in an organised

and coherent piece of work.

Following the "opening-out" approach proposed by Dunleavy, Part Three of the thesis raises two specific issues which allow a systematic link to be drawn with wider themes of national-level politics. In Chapter 7, the views and opinions of the group I have defined as "active" steelworkers, are presented. Three "political types" are constructed, and it is shown how the underlying dilemmas and splits within the leadership are illustrative of the major issues posed to the "new unionist" union at national level. Chapter 8 analyses one contentious issue - namely the relationship between a "new unionist" union and the use of the Labour Courts. It is argued that the "new unionist" union has made an important political innovation by politicising a legal channel, at the same time that it has expanded the scope of citizenship rights of workers.

Finally the Concluding Chapter re-instates the research findings and systematises the answers to the questions raised in this Introduction.

## CHAPTER 1

### RESEARCH DESIGN AND FIELDWORK IN VOLTA REDONDA, BRAZIL

#### 1. Introduction

This chapter will outline the methodological design of the thesis and describe the two stages of fieldwork carried out in Volta Redonda, Brazil, in 1988 and 1990 respectively. The objectives of this chapter are four-fold. First, I set out the general format of the fieldwork and explain why certain methodological options were taken. Before proceeding to the description and the problems faced in the field, I classify the body of similar work on the subject and the different types of methodologies available.

Second, the chapter offers an account of the conditions under which the research was undertaken and outlines the problems of conducting research in a working-class town in Brazil, in a situation of sharp conflict between workers and management. Beyond my own experience, I try to categorise the problems and challenges faced by researchers of a "sensitive topic" such as union politics. I draw from the literature on "fieldwork" and the debates on the "qualitative" method of data collection.

Thirdly, I attempt to show that although in the past qualitative types of methodology were wrongly labelled "soft" in opposition to the "hard" quantitative methodology, this type of dichotomy has since been overcome. Moreover, a

growing body of literature has addressed issues such as the validity and objectivity of qualitative data in the production of thorough and systematic research results. Finally, I briefly discuss my use of a new type of computer software for the analysis of qualitative data, which was of great help to me in the long and difficult process of transcription, organisation and analysis of the data.

## 2. The Methodological Option

### 2.1. A General View of the Problems at Stake

Today there is a growing body of opinion that not only sees qualitative research as legitimate in its own right but regards qualitative and quantitative research as two possible, albeit different, ways of carrying out research (1). The choice between methods, it is argued, should be guided by the appropriateness in answering the particular research questions and not by a-priori prejudices of the researcher (2). It is within this framework that I wish to justify my choice of method. The decision to carry out a case study of a "new unionist" union was motivated by the

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1. For more of this discussion see especially, Bryman, A. Quantity and Quality in Social Research. 1988 and Fielding, N. et al., Linking Data. 1987.

2. For a good discussion of the prejudices held by researchers from each of the two fields in question see "The Debate about Quantitative and Qualitative Research" in Bryman, A. op. cit. 1988.



relatively sparse material on the subject, as well as by the particularly interesting case of the Metalworkers' Union of Volta Redonda which, after almost four decades of non-strike activity, became an increasingly militant union. I then further decided that an interesting research issue would be to see how the workers and the union leaders saw and explained the events, as well as how they assessed their new union in a longer-term perspective.

Given the focus on the relationship between leaders and workers, on informal shop-floor conflicts as well as formal organisations, the qualitative method seemed more appropriate than quantitative methods such as the survey. This choice was based on three main grounds. The first was the sensitive nature of the topic under investigation (3). To research into workers' politics and militancy is to enter a terrain of uneasiness, especially in Brazil where involvement in the labour movement and militancy could - until the early 1980s - result in imprisonment or even in other more dramatic outcomes. Furthermore, the general sense of danger felt by

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3. As pointed out by Lee and Renzetti, a "sensitive topic" is one "which social scientists regard as threatening in some way to those being studied. (...). A sensitive topic is one which poses for those involved a potential threat, the emergence of which renders problematic for the researcher and or the researched the collection, holding, and or dissemination of research data". Lee, R. and Renzetti, C. "The Problems of Researching Sensitive Topics" in American Behavioural Scientist, Vol. 33, No. 5, May/June 1990 pages 511-512. Although my research posed no real threat for workers because I guaranteed confidentiality and anonymity, the very idea of having a researcher trying to obtain interviews with them about unionism and politics was initially threatening to the workers. Moreover, the research was also "sensitive" for the researcher who felt many times that her personal security was put in jeopardy. I expand on point this in the course of this chapter.

workers was aggravated in Volta Redonda by a great polarisation between workers and managers, so that workers felt very threatened by strangers and initially regarded them as possible "spies" from the company. The argument here is that in order to find workers willing to be interviewed and then to obtain valid statements, it was necessary to establish "networks of trust" between workers and leaders and myself. And it seemed that the best way to establish "trust" between researcher and interviewee would be through the longer term presence of the researcher in the field and the use of long, in-depth interviews.

The second factor in my choice of method was the nature of the answers being pursued. I would argue that it was through in-depth interviews that it became possible to overcome two types of problems. One was the need to break with the "ready made" discourse of some of the politically articulate union leaders and activists - which made it difficult for the researcher to understand substantive issues such as the underlying nature of political splits or the types of "non-explicit" goals pursued by leaders. In this respect, in-depth interviews with a flexible schedule allowed me to return and sometimes insist on the clarification of certain points. The second problem arose at the other extreme, in interviews with people who were not articulate, not organised and sometimes very reticent to engage in conversation about a "sensitive topic". For this group, long and open interviews with face-to-face interaction allowed for the building up of "trust" and "rapport" between interviewee

and interviewer, as well as for the use of the workers' own language and terms, which in many ways made it easier to solve the communication problem (4).

The third factor in my choice of method was related with the other two and concerned the problem of the type of data I wished to gather. In view of the fact that the research was about formal union activity as well as about informal shop-floor conflicts and organisations, the research demanded that the interviews should be complemented, as far as possible, by observations of these same issues. Here of course one is led to think that the best approach, at least in theory, would have been that of the "complete participant" (Cicourel 1964) or of "total membership" (Adler and Adler 1987), in which the researcher would have become a unionised steelworker and participated in informal organisations and shop-floor politics, with a covert or overt identity. However, a number of constraints made this impossible - of which the sex of the researcher and the time available for the research were the two most important. I therefore selected an approach whereby I was able to observe and participate to a certain extent, but openly based myself on the role of a "researcher" in the field. I will argue that this approach, with the researcher

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4. Johnson has pointed to the fact that the issue of "trust" and development of "rapport" between researcher and informant is an essential element for the production of valid and objective observations. The author states that "only the development of relationships involving trust enables a field researcher to make an assessment of the accuracy and truthfulness of the observational data collected and the effects of the observer's presence on the observed situations". See Johnson, J. "Developing Trust" in Doing Field Research. 1975 pages 84-86. I will return to the issue of validity of the data later on in this chapter.

in the role of "observer-as-participant", in the words of Cicourel (5), or "peripheral membership", in the words of Adler and Adler (6) proved to be successful.

To summarise, as the definition of the research project was being structured, it became clear that the best method would be an in-depth study of workers in a demarcated social situation, in long and open interviews with face-to-face interaction (7). The interviews took place together with

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5. In Cicourel's classification there are four basic research roles which can be assumed by the researcher. "Complete participant" and "complete observer", as two opposing extremes and "participant-as-observer" and "observer-as-participant" as referring to different levels of participation and observation. For greater details see Cicourel, A. Method and Measurement in Sociology. 1964.

6. Adler and Adler's membership roles is a type of definition of research roles which lays stress upon the idea that fieldwork is about being accepted by a group as a member of that group, while Cicourel's definition stresses the extent to which the researcher is involved in the field. Adler and Adler suggest three types of membership roles: "peripheral membership", "active membership" and "complete membership". "Peripheral membership" is used by the researcher "when they seek an insiders' perspective on the people, activities and structure of the social world and feel that the best way to acquire this is through direct, first-hand experience. The researchers interact closely, significantly and frequently enough to acquire recognition by members as insiders. They do not however interact in the role of central members, refraining from participating in activities that stand at the core of group membership and identification. (...) They may take the role of "social" member or they may forge their own "researcher-member role". For more details see Adler, P. and Adler, P. Membership Roles in Field Research. 1987 pages 37-39.

7. Initially as a student and later as a sociologist I had had three previous field work experiences in Brazil. The first was research among the "old generation" of union leaders in the Metalworkers' Union of Rio de Janeiro. The second was research, in a group project, among psychiatric patients in long-term hospital internment. In a later project, I was engaged in research in a working-class community in a suburb of Rio de Janeiro, which formed the basis of my M.Sc. thesis in Sociology, "Little Moscow: Study of a Housing Experiment for Industrial Workers in Rio de

day-to-day observation of activities in the union, workers' communities and social life, and with the direct observation of mass gatherings, such as assemblies and other political interactions which I will describe shortly. As I will try to show in the course of this thesis, the method produced what I believe to be a rich research material.

As I have already outlined in the Introduction, the research was based on a case study of a group of workers from the National Steel Company and their union, the Metalworkers' Union of Volta Redonda. The adopted definition of a case study is one proposed by Yin (1989:22-23): namely an empirical enquiry that investigates a contemporary phenomenon within its real life context and in which multiple sources are used (8).

The present case study is based on direct observation and interviewing, together with research into primary and secondary sources such as union records and newspaper cuttings. This material served not only to complement and contextualise the field data but also to help in the triangulation of the analysis (Denzin 1978) - a point to which I will return shortly.

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Janeiro, Brazil", 1986. These three experiences involved different levels of direct observation as well as in-depth, open interviewing.

8. For a very good review of various types of case study definitions available in the literature see Platt, J. "What Can Case Studies Do?" in Burgess, R. Studies in Qualitative Methodology. 1988.

## 2.2. Examples of Research on "Sociology of Work and Labour" and Possible Methodological Approaches

There are many accounts by researchers themselves, on the types of problems one faces when doing first-hand research, as opposed to research based exclusively on secondary material. Of these accounts, I would like to discuss those which concern research with workers and unions as their basic topic. Case studies on "work" and "labour" may be distinguished by the role played by the researcher in obtaining his or her research material.

The first group of studies are those in which the researcher is a complete participant. Although they vary according to the extent to which the researcher discloses his/her real identity, such studies have a common feature that the researcher becomes a worker himself/ herself and experiences in locus the hardships and joys of being a manual worker. Simone Weil's La Condition Ouvrière (1951), Robert Linhart's The Assembly Line (1978) and Michael Burawoy's Manufacturing Consent (1979a), are some of the most commonly cited examples.

A second group of studies are those in which the researcher takes the role of "observer-as-a-participant". Although the level of involvement and the disclosure of identity again vary, the researchers here maintain a clear differentiation between themselves and their subjects. Different interviewing techniques (formal and informal) are complemented by different levels of observation and

interaction in the research field. Of these studies, Huy Beynon's Working for Ford (1984) is perhaps the most commonly cited. Other studies in this group include Girls, Wives, Factory Lives (1981) by Anna Pollert, Living with Capitalism by Theo Nichols and Huy Beynon 1977, Working the System (1985) by Paul Thompson and Eddie Bannon and, Shop Stewards in Action (1979) by Batstone et al.

In the Brazilian literature, as far as I know, there is no published study which can be classified among the group of "complete participants". However, many studies have been based on direct observation with various levels of involvement by the researcher. O Vapor do Diabo (1978) by Leite Lopes, a study of sugar production workers in the state of Pernambuco; O Coração da Fábrica (1979) by Vera Pereira, a study of textile workers in Rio de Janeiro; Vida Operária e Política (1985) by Elina Pessanha, a study among ship-building workers in the state of Rio de Janeiro; Os Homens da Mina (1985) by Cornelia Eckert, on mine workers in the state of Rio Grande do Sul and Os Homens de Ferro (1986) by Cecilia Miyano are all important examples of first hand research with manual workers.

A second group of studies in Brazil, with a slightly different type of methodology, take as their object the historical reconstruction of a certain period of the labour movement or a particular type of factory domination. In these studies, the investigation of available historical records is complemented with life histories of people who are still alive and can help to re-construct the period. Examples of

this group include A Tecelagem dos Conflitos na Cidade das Chaminés (1988) by Leite Lopes, A Ferro e Fogo, Construção e Crise da Família Siderúrgica: o caso de Volta Redonda (1989) by Regina Morel, Estado Patrão e Luta Operária: o caso da FNM (1989) by Jose Ricardo Ramalho, Mina de Morro Velho, a Extração do Homem (1981) by Yonne Grossi and Porto Vermelho (1981) by Ingrid Sarti, among others.

Apart from their contribution to substantive theoretical issues concerning the Brazilian working-class, these studies have inspired my own research in methodological terms and have helped me to think through some of the common problems that arise from doing research with workers and touching on issues of a political and conflictual nature. They have all addressed, albeit in very different ways, the problem of researching such a "sensitive" topic and the ethical problems which the researcher is faced with.

What follows is a personal account of my research experience during two distinct periods in the field. The inclusion of such a description in the thesis springs from a view that the validity of the research material can be better assessed by the reader, if the researcher explains and discusses the conditions under which the data has been collected. Indeed, the contextualisation of the collection of data is an integral part of the meanings attributed by the researcher to his or her material. And if the researcher does not wish to count on what Becker (1982:240) has critically termed the "prima facie validity" of the research, but wants to convince the reader of the objectivity and quality of



his/her material, a thorough contextualisation of the field is needed. Finally, as pointed out by Biernacki and Waldorf (1981), a description and analysis of the problems faced in the field and the decisions made to overcome them, increases the credibility of the research and provides the basis for future comparative analysis by other researchers. Although I have not claimed neutrality in the field relationship, my aim has been to produce a substantive piece of work and to achieve objectivity in the research.

### 3. The Fieldwork. A Personal Account and the Analytical Problems

The National Steel Company is located in the town of Volta Redonda in the state of Rio de Janeiro. Volta Redonda is a medium-sized town, by Brazilian standards, with a population estimated at some 300,000 inhabitants (9).

Fieldwork was undertaken in two different time periods: the first between April and July, 1988, the second during the months of January and February, 1990. The establishment of

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9. IBGE estimated in 1984 Volta Redonda's population at 183,641 and Barra Mansa's at 154,751, giving a total of 338,392 inhabitants. It is possible to link these two groups of inhabitants together because although the two towns have administrative and political autonomy, there is no clear boundary of demarcation between them. In Brazil towns which have administrative autonomy and a local government are called municípios. Volta Redonda and Barra Mansa are each one a different município. However, people work and circulate in these two municípios as if they were circulating between boroughs of the same town. National Steel Company employees live mainly in three municípios in the region, namely Volta Redonda, Barra Mansa and Barra do Pirai. This latter município is 20 kilometres away from Volta Redonda.

research networks and the bulk of my interviews occurred during the first period of fieldwork, in 1988. At that time I rented a flat in Volta Redonda and spent a great part of my time living in the town.

In the second phase of research, although I did interview new informants, I centred the fieldwork on re-interviewing some key informants. I also collected information on all the events that had occurred during the period of my absence from the field.

### 3.1. First Phase of Fieldwork, April-July 1988

#### Field "Entrée" with Steelworkers

My "entrée" in the field in 1988 involved inserting myself into a very explosive setting, in a town which is significantly dominated by the National Steel Company and in which a highly conflictual relationship had been developing between the workers and management since 1984. There I was, trying to investigate this very relationship as it was seen by union leaders and by the "ordinary worker". It was already clear that the success or failure of the fieldwork would depend heavily on the establishment of trustful relations with the informants, so that they would agree to discuss with a stranger delicate issues such as militancy inside the plant and their view of the union and politics (10). I was very

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10. Although in the European tradition of anthropological work it is acceptable to pay informants in exchange for information, this is not the case in Brazil. There, the

lucky in this respect for having been helped by friends who "sponsored" (Adler et al. 1987:38) my entrée and became my "referees" in the face of the workers' initial suspicion about my objectives in the field (11).

My first "entrée" into the field was through the Metalworkers' Union and was the result of contacts established by two sociologists. One, Dr. R. Morel, was at the time completing her own PhD research in Volta Redonda, based on a historical reconstruction of the period in which the National Steel Company was a company-town. The other sociologist, Sonia Gonzaga, the head of DIEESE in Rio de Janeiro, and responsible for its regional office in Volta Redonda which works closely together with the Metalworkers'

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payment of informants as a means of obtaining information is a morally unacceptable practice. It is believed that entry into the field and the acceptance of the researchers' presence by the studied group must be constructed out of trust and willingness. I subscribe strongly to this view. This does not eliminate however, problems to do with interests and expectations which each party - the researcher and the informant - holds during research interaction. It is believed that these issues should be conscious to the researcher during fieldwork. As pointed out by Manning and Cicourel, the informants' interests and expectations will shape the kind of information they are willing to share with the researcher. On this issue see Cicourel, A. op. cit. 1964 page 64 and Manning, P. "Problems in Interpreting Interview Data". Sociology and Social Research. Vol 51. 1967 page 306. On the payment of informants in fieldwork in Europe, see Ellen, R.F. Ethnographic Research. A Guide to General Conduct. 1984 pages 108-109.

11. As far as I know, the piece of work which has best discussed the difficulty of interviewing workers on sensitive issues such as union politics is an article by Roy, D. The article is about a research which collapsed because the researcher was faced with a great number of refusals and invalid information from the informants. See Roy, D. "The Role of the Researcher in the Study of Social Conflict: A Theory of Protective Distortion of Response", in Human Organization, 1965.

Union (12). Mario, the DIEESE officer at the Metalworkers Union, was another "sponsor" who assured the union leadership that I was a "trustworthy" person and not, for example, from the police or a company spy.

Another "sponsor" was an adviser from IBASE, Sergio Ferreira (13). Through the IBASE officer I was also presented to the Roman Catholic bishop of Volta Redonda, Dom Waldir Calheiros, who has played a very important role in the community in supporting the local labour and social movements. Dom Waldir put me in contact with the Workers' Pastoral (Pastoral Operária) which became one of the networks for the establishment of contacts with workers. Each of these "sponsors", with their own networks, put me in contact with the people who held "gatekeeping" roles (Adler et al. 1987:38) in the community: namely, the union, the Church and different workers' communities. After these "gatekeepers", had accepted me, they helped me by opening other networks of people and "sponsoring" new contacts.

Although interviews with workers and union leaders complemented by observations of their union activities were

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12. DIEESE stands for Inter-union Department of Economic and Social Research. It is a research institute which assists the Brazilian labour movement with technical advice and critical information on issues of a social and economic nature. Although its central office is in the state of Sao Paulo, it has regional offices spread all over the country. Some large and important unions have DIEESE advisers working inside the unions, on a permanent and full-time basis. This is the case of the Metalworkers' Union of Volta Redonda which has contracted a DIEESE adviser since 1987.

13. IBASE stands for Brazilian Institute for Social and Economic Analysis. It is another institute which offers technical advice for unions and the social movement and is financed by international charity organisations.

to be the main research focus, the focus on the labour process led me to think that it would also be very important to visit the plant and interview company managers to gather information on managerial policies and the production process at first hand. I had already visited a steel plant in England, the Scunthorpe Steel Works. And although I knew from former research experience in Brazil that a visit to the plant and the contacts with company management could jeopardize my research with the workers, since they might see me as untrustworthy, I thought that there were ways around this problem. I will return to this point in a moment (14).

#### Field "Entrée" with Company Management

I established contact with National Steel Company management while I was still in London. My first contact was with a manager then on the board of directors: his name was given to me by a Dr Morel who had interviewed and found that he was sympathetic towards academics and researchers. He therefore seemed the right man to approach with request to visit the steel plant and to have access to the company's records. I wrote to him from London, stressing my interest in the company's modernisation programmes rather than my

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14. Although as far as I know this is a recurrent problem in international cases of fieldwork amongst manual workers, it is especially acute in Brazil. This might be due to the extremely untrustful and suspicious nature of the relationship between workers and managers in factories in Brazil. Leite Lopes, op. cit. 1978 page 12 and Pereira, op. cit 1979 page 31, have commented specifically on this problem in their own fieldwork with manual workers in Brazil.

interest in politics as such. Given the high level of conflict between management and workers in the past few years, I was silent about my contacts with the union, the Catholic Church and with other workers, knowledge of which would almost certainly have precluded my gathering data within the company. This was a conscious research strategy which I will shortly justify in greater detail (15). The director answered my request positively and told me to get in touch as soon as I arrived in Brazil. As a result of this letter and the other positive contacts I had established, I left London quite optimistic about being able to draw from company records and observation in the plant.

#### Volta Redonda. The First View

The first impressions of Volta Redonda were significant. The plant is present from whatever position in the town one might look. The furnace chimneys and the steam released by the coke ovens are responsible for the serious air pollution

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15. I would like to point out that I acknowledge that this strategy raises issues of research ethics. I would like to argue that the strategy I adopted with company management did not imply in any covert activity since I retained the role of a PhD student researching the National Steel Company, and to that extent there was no manipulation of informants from the Company. It might be said that information was selected and that I did not completely disclose my research objectives to management. But researchers do not disclose all information to all informants during field work, and there is always a great degree of negotiation taking place during research. Finally I acknowledge this problem very openly and have tried in this chapter to spell out what I believe to be the consequences of my research strategy. For more discussion on ethical issues, see Cassell, J. "The Relationship of Observer to Observed when Studying Up" in Burgess, op. cit. and Bulmer, M. "Introduction" in Social Research Ethics. 1982.

that dominates the town. On arrival, one feels the heavy and dirty air.

The Paraiba do Sul river, which cuts through the town, is one of the basic reasons for the plant's location, providing all the water input that is needed for the steel production. Unfortunately, it also receives back all the water, polluted with industrial waste, that is discharged when the production process is completed. Although the last modernising technological programme at the company started being implemented as far back as 1974, only in 1988 was the plant equipped with anti-pollution devices for treating the water before it is pumped back into the river.

I first arrived in Volta Redonda in the company's coach, as a "company guest". The coach stopped in front of the "central administration" building, which faces the steel production plant across the main avenue and the railway line. When the coach stopped in front of the building, I was welcomed by a blue-collar worker in charge of visitors to the plant. This worker was an engineering student who was to be my guide throughout the day.

### The Visit to the Steel Plant

We were given a company car with a chauffeur to tour the steel plant - the only way of covering four square kilometres in one day. With special shoes, head and ear protectors, we were able to visit most of the steel's site, in the space of six hours. We started at the mineral silos

that are located at one end of the plant and walked our way through the whole production process. Although we had to leave out some parts of the plant, I was able to have a good look at samples of the basic process: from coke-making to the shaping and finishing of the steel products.

For an observer, it is a very difficult visit to make. One sees and feels the physical extremes, and it seems very brutal for men to be working under such inhuman conditions. I am not talking of the flexible part of the working conditions that the company might change if it wished to create a better environment for its workers. The fact is that steel-making is a very harsh activity per se. The extreme heat, extreme noise, extreme cold and excessive steam are intrinsic characteristics of steel production. Parts of the production process can never stop, so the workers' shifts are on a continuous basis even during the night. One cannot avoid thinking that the men are working within the limits of the body. I was later told by the informants that this is not achieved easily. According to them, one can only start to work in a steel plant with great determination - whereby one forces and disciplines one's body to respond and continue with the job. On other occasions during interviews, many workers told me of their actual horror when entering the steel plant for the first time. Long-nourished dreams of a job at the National Steel Company's site, with the security that it offered in the past, were rapidly washed away in the men's "first day in hell" as some described it.

Tension and stress is a constant from the moment you



cross the entrance gates. Alarms, bells and sirens trigger all day long, every day, 365 days a year. One must be aware of where one is walking and the next direction one is going to take must be well planned. The whole plant is full of danger, from above, from below, from the stairs, everywhere. All of these men have a permanent sunburn.

The great physical discomfort was aggravated by the fact that I was a female walking around with a management representative. The production plant is a male-dominated environment. Female labour can only be found in very few jobs, representing a tiny proportion of the whole workforce (16). In every workplace we entered, we would be subject to close observation.

The visit ended back in the "central administration" building, in a room where all the finished products were on display. I was given some publicity leaflets and taken back to the "Social Communication Department" and from there to the "Personnel Department". Here I was presented to another company employee, this time a female psychologist who, as I learned, had been selected by management to organise of my "research agenda". In fact, her role was to act as "gatekeeper", "opening doors", but also, most importantly, controlling every one of my steps during my research time in

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16. According to the Personnel Department, in January 1990 out of the total workforce in Volta Redonda, 22.415 were male and only 1.409 female. The bulk of the manual female labour employed in the plant - roughly 100 - are located in the "quality control" area. They inspect tinsplate pieces, which must not be bent or scratched. The remaining female employees work outside the steel plant, in the administrative building in secretarial and college degree jobs.

the company.

The next three weeks, this psychologist organised most of the interviews and contacts with management that I made inside the company. Not only did she arrange the meetings and introduce me to people, but I was also supposed to report back at the end of each interview before she would make any move about the next contact. This was obviously the way for management to closely "monitor" my progress. After some time, I ventured to seek out my own contacts but soon got myself into difficulties, as I will describe shortly. Under these stressful conditions, I talked with company managers and advisors and gathered information. However, the research progressed very slowly on this front, and although some interviews were quite revealing others were very evasive.

#### The "Double Identity" Problem and Other Tensions

The way around the problem of interviewing company managers and workers at the same time, was to disclose my objectives completely to the workers but not to the former. While workers and the union knew of my research objectives and strategies and were fully aware of my incursions into management, as far as I know, management had no knowledge of my contacts with workers.

Beside the ethical issue already addressed, this was a risky strategy since I was in constant danger of being "found out" in my "double identity" by managers and of seeing the doors of the company closed to my research. However, judging

from the build-up of conflicts and tension between managers and workers over the Annual Work Agreement, it was wise not to reveal my whole research strategy to management. I also knew that I had to do my research in the company quickly, before the threatened strike - which the workers actually declared a few weeks later, greatly limited my scope.

As time elapsed I began building up networks of informants among the steelworkers and was a frequent visitor to the union. In fact, whenever I had time between interviews at the company's headquarters, I would head for the union that was only five minutes away by bus. On these occasions I would "sit around" and observe day-to-day life at the union headquarters. I would engage in informal conversations with people, attend meetings and make new contacts which would sometimes result in the arrangement of a formal interview.

As a direct consequence of the time pressure and the building up of tensions between workers and the company, I could not afford to wait until I had completely finished researching and interviewing company management and then start the contacts with the workers. I was doing both things simultaneously.

I also knew that, as a researcher coming from Rio and living in London, I was being intensely scrutinised by the staff and interviewees, who commented among themselves on the types of questions I had asked and so on. Eventually, this "double identity" became so problematic that I could hardly continue. It was also very difficult to pass unobserved in the provincial town, not because I was doing research on the

company but because I was an "outsider".

Beside the "double identity" problem, the fact that I was a female researching in a male-dominated environment also created some level of stress (17). The high percentage of males was related not only to the union but to the traditionally male trade of steel-making. I felt very strongly the weight of the so-called "Latin American macho", in which men's initial contacts with women are permeated by flirtation or other types of "sexual communication" (18). In this respect, class differences seem to have no influence on the "macho" culture. In some cases, I faced difficulties in initial contacts with both workers and managers, until my role as a researcher became more recognised and more rooted with the people and places I was researching.

Playing the "double identity" role was a source of great stress for me at the time. Although I know that this was not a unique experience and that at a certain level, as observed by Gans (1982), fieldwork is about the stress of obtaining

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17. Warren has suggested that the place of gender in social research is vital to address the interaction between researcher and respondents over time. The author argues however that gender is not an ascribed role but a "negotiated role" like any other, and that it changes over time in the field. See Warren, C. Gender Issues in Field Research. 1988 page 8.

For two interesting assessments on the advantages and disadvantages about being a female researcher in comparison to a male researcher see Bovin, M. "The Significance of the Sex of the Field Worker for Insights into the Male and Female Worlds" in Ethnos, Supplement. 31, 1933 and Gurney, J. "Not One of the Guys: The Female Researcher in a Male-Dominated Setting" in Qualitative Sociology, 8(1), Spring 1985.

18. On this issue see Landes, R. "A Woman Anthropologist in Field". Women in the Field. 1970 page 135 and Warren, op. cit. 1988 pages 33 and 64.

and sustaining contacts, I was rather "relieved" when I was no longer allowed entry to the company.

### The Tense Negotiations Between Management and Workers

Without knowing, I had arrived in the field exactly at the start of the negotiating procedures for the 1988 Annual Work Contract of the National Steel Company's workers, which was to be signed in May. Such periods of wage campaigning (campanha salarial) usually involve mobilisation of the rank and file, even among less militant unions. This is due to the fact that some level of discussion among workers has to occur so that the various demands and clauses can be put forward in negotiations with management.

In Chapter 2 of this thesis I describe in detail the regulated procedures for the renewal of the Annual Work Contract, as defined by the Labour Code. For the moment it may be sufficient to note that negotiations between union leaders and company management began in March and became especially tense in April. Management referred the dispute to the Regional Labour Court in Rio de Janeiro town, and this had two implications. First, it showed that the talks that year would be very tough.

Second, this procedure was costly and weakening for the union since it meant having to go to Rio de Janeiro with solicitors and a Committee of workers. It also removed the leaders from daily union work so that they could attend appointments at the Regional Labour Court.

The Wage Campaign of that year had the slogan "Worker Awake"! (acorda peão!) and used the image of a "hangman's noose" to allude to what workers called the "deadly conditions of work and the suffocating low wages". These slogans were painted on many walls of the town, worn on T-shirts by the workers and shouted out during public assemblies.

The negotiation committee from the management side was made up staff from the Job and Wage Department, and when I was conducting interviews in the Department I sometimes overheard comments on how the negotiations were coming along, from management's point of view. Management's general attitude was to play tough with the workers and to test their organisational strength in relation to a possible strike. The atmosphere was very tense on both sides, and because of the first ever strike in 1984 and the company's symbolic importance as the first steel company in the country, the negotiating process was given nation-wide media coverage.

#### The Abrupt Ending of Access to the Company

After three weeks of research with the ambivalent "help" of the company's psychologist, I had been given access to middle and high level managers and collected general information on the plant's history, machinery, technology, and production process. I was able to talk informally with many

people and held formal interviews with six company managers (19).

Access to these staff members was established through the "gate-keeping" system described earlier. However, when I interviewed the Head of the Personnel Department he told me about the work of the Industrial Relations Division, which comes under and himself arranged an interview for me, there, breaking the psychologist's total control over my contacts in the company.

The interview with the head of the Industrial Relations Division covered among other things, the nature and number of grievances filed by workers against the company. In the Brazilian industrial relations system, these grievances are put forward to the Labour Court by a lawyer specialised in the Labour Code - working either for the union or in private practice (20).

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19. The interviews were undertaken with: the chief of the Division of Organization and Methods; the head of the Department of Jobs and Wages; a staff member of the same department; a staff member of the Training Section of the Technical School, the head of the Personnel Department, and the head of a division within the Personnel Department called Industrial Relations Division.

20. The question of "workers' rights" and use of the Labour Courts by workers and the union was emphasised to such an extent by workers during fieldwork, that I decided to turn it into a research issue even though it had not been foreseen in the original outline. This interest arose when I was faced with the fact that around 80% of the workers interviewed had had at some point in time, or were then filing a grievance in the Labour Courts against the Company. The numbers had grown considerably since the victory of the union opposition in office in 1983. This fact questioned the very notion, current in some of the Brazilian literature, that the greater the level of direct militancy, the lesser the use of the Labour Courts by workers. I return to this issue at length in Chapter 8 of this thesis.

I expressed my interest in having statistical data on these grievances and was told to get in touch with the Legal Department. According to the informant, the statistics had been computerised and should be of great use to me. Since this informant gave me the names and telephone numbers needed to establish the contacts, I did not report back to the female psychologist, but arranged myself an appointment without her knowledge for fear that she would be hostile to such a request. I thought that I would have better chances if I adopted a less straightforward approach to the data, ie, through the less qualified staff such as secretaries and/or administrative staff.

Arriving at the Legal Department I soon learned that there were no computerised statistics on the subject. I was presented to the person responsible for the keeping of the records of the workers' grievances against the company. These records are organised in a very simple way: all I had to do was to add up the number of grievances and the number of workers in each grievance filled. This was a simple operation but it took some time to get through it. I gathered data from 1978 up to 1987. After some time working on these records, I was called by the secretary of the Head of the Legal Department and told to report immediately to his office.

I was received by a very hostile person who questioned the nature of my research, telling me that I was touching on "confidential information" and that I could not leave the building with it. I first tried to use the "legitimacy" argument, saying that I was a responsible researcher and



would not be careless in the destination of the data. Second, I argued, this information was at least theoretically, supposed to be in the public domain given that the grievances were judged by a public institution, the Labour Courts.

From the way the conversation developed I concluded that the Head of the Department was afraid that this information, if made public, might serve as further evidence of the company's misconduct towards its workforce. A large number of grievances were related to health and safety conditions inside the plant. It also became clear that this official represented the kind of managerial ideology which had prevailed in the company during the years of military government in Brazil, and which had survived political liberalisation. He was for example, opposed to any bargaining with workers during Wage Campaign periods and classified the CUT, one of autonomous workers' confederations, as a "communist grouping". This type of language had disappeared from public life in Brazil since all the left wing parties had been legalised in the early 1980s.

In the end, I managed to take the information with me based on its "public nature" and negotiating that the information would be used in "a responsible way" which, for the head of this department seemed to mean keeping it far away from the union and media journalists. Although I was finally able to leave with the information, this gentleman had been in touch with the female psychologist, "my gatekeeper", and I was suppose to report immediately to her.

This I did and the meeting was extremely tense. She

argued that I should not have established any direct contact without her knowledge, that my research was demanding more information than originally thought, and that it was taking "a bit longer than originally expected". In this situation, she asked me to interrupt my research and to write her a "report", as she called it, on all the work I had done up to that time, all the contacts I had established and all the future interviews I might carry out at the company. I answered that I would think about it and report back if I considered a viable position.

I left knowing clearly that it was the end of my research with management, at least through the channels established up to that time. Although I felt very bad about the whole incident that day and about the fact that I had not completely finished the collection in the company, I was also relieved that I could finally put an end to my "double identity" activity and enter fully into the "observer-as-participant" role with the workers.

This episode could have damaged other researchers' attempts to interview management at that time. But as far as I know, there were no such attempts, and access by future researchers will not be damaged forever, for two main reasons. First, senior professionals in the company tend to be moved around and do not stay long in the same top-level decision-making jobs, given that the state-owned character of the company involves a complex system of political negotiations in the allocation of top posts. Even when there is no substitution at the highest level of company directors,

heads of department and other strategic positions are sometimes re-arranged to meet political and administrative demands.

The second reason for believing that entrance was not closed for other researchers, is the importance of personal contacts and referees for the obtaining of information from the company. This was confirmed by the fact that during my second field trip, I was able to return to the Job and Wages Department by re-contacting staff members whom I had interviewed in 1988. Through this channel I was able to update a set of data on job titles and general statistics. Moreover, during the second trip I was able to obtain some important information concerning the company's policy on automation and computers thanks to a network that was established for me by an engineer I had met at the Engineers' Union of Volta Redonda.

The Metalworkers' Union split

The conflict with management over the Annual Work Contract was not the only problem faced by the metalworkers during the period of my fieldwork. The leaders and activists at the Metalworkers' of Union of Volta Redonda were divided by disputes that dated back to 1985 and 1987, when some militants and leaders from the executive had been expelled or were forced to resign from the union. During my stay in the field, further expulsions of members on the executive seemed imminent once again.

This question will be treated in detail in subsequent chapters, but it seems appropriate to mention here that the leaders in charge of the Metalworkers' Union at the time of my first field trip, were the "new unionists" who had originally gained office in 1983 and won the elections in 1986 (21). Around fifty per cent of the leadership came from the original "Union Opposition Group", others having left office for different reasons. Since the first victory of the union opposition, other steelworkers had also been incorporated as union officials. Now a new crisis was looming, with threats of expulsion of two of its directors by the rest of the group.

#### The Metalworkers' Union as a Research Network

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21. The main exception was their most charismatic leader, Juarez Antunes, originally a senior skilled furnace worker in the steel-making department and one of the most important leaders in the birth of the Union Opposition. He became President of the Metalworkers' Union of Volta Redonda in 1983 and gained national prominence during the negotiations between workers, management and government during the strikes and occupations at the company, from 1984 onwards. Juarez Antunes was elected as federal deputy in the 1986 elections and as Mayor of Volta Redonda in the local elections of 1988. Unfortunately, after only five months in office, he died in a car crash on his way to Brasilia.

I was not able to interview Juarez during my first period in the field, because he was then a federal deputy in Brasilia and only spent a couple of hours in Volta Redonda, for occasional public meetings of steelworkers, before and during the strike of May 1988. I managed to fix up an interview for my next field trip but it did not take place because of his sudden death.

I was however given a long and very detailed interview with Juarez Antunes (12/2/1988), produced by two researchers, as records for the Union History Centre (Centro de Memoria Sindical). I am grateful to them for allowing me to draw information regarding Antunes' opinions and evaluation of the events.

After being accepted by officials and activists with important "gate-keeping" roles in the union, I started the search for new contacts and informants through the "snowball referral method", which involves a series of referrals within a circle of people who know each other (Biernacki and Waldorf 1981:151).

Although the "snowball method" proved a success, another type of problem was to keep a balance between establishing a "rapport" with the informants but, at the same time, maintaining a cautious distance with regard to each of the groups in dispute in the union. I knew that any bias on my part could affect the research in terms of the quality of information obtained during interviews and in contacts with informants referred to me by union members. This problem is referred in the literature as the danger of "over-rapport", which can actually endanger the objectivity of the data (22).

Another type of danger was not of actually developing "over-rapport" but of being seen by some faction in the union as more identified with one or other group. Although my "double identity" role had ended and I was by now concentrating on research among the workers, the disputes and

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22. Adler and Adler have defined "over rapport" as a situation in which the field researcher becomes too closely aligned with one group in the setting, which may prevent the researcher from gaining access to other groups in the field. Adler and Adler, op. cit. 1987 page 17. For a practical discussion of this problem see Cassell, J. op. cit. 1988. For a researcher's description of his own experience of "over rapport" with union leaders, see Miller, S. "The Participant Observer and Over-Rapport" in American Sociological Review, No. 17 (1), 1952 pages 97-99.

personal problems in the union and the danger of being identified with one or other faction made my research inside and outside the union a difficult one. I always needed to be vigilant, trying to "map" the groups and the reasons for the disputes. An uncomfortable feeling was present throughout this first phase in the field. I had to be very careful in the way I spoke and arranged interviews so as not to hurt any sensibilities. I was straightforward about my role as an "outsider" concerning the disputes, and would stress the need to interview all the parties in question. Although this might have limited the answers of some informants, who might have been worried that I would "betray" their trust and pass information to the other factions, I opted for this posture and sought to build up trust with the informant, rather than conceal my activities and endanger the networks I had so far built up (23).

The interviews with the leaders and militants were made at the union, usually in a small room that was made available to me with closed doors and privacy. Whenever possible, the interviews were arranged beforehand, after an initial,

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23. During the interviews in the union with the leaders and militants, I would often have to ask a straightforward question such as: in what way does this view of yours differ from the views held by X? Sometimes it would be hard for the informant to transcend his everyday experience and actually pinpoint the issues at stake. The answer might be a long description of personal problems between people with cursing and personal accusations. At other times however, clear differences concerning the role of the union and general politics would be outlined making it possible for the researcher to start to understand the less personal aspects of the disputes and splits among union leaders and activists. I will return to this issue in the chapters ahead.

informal talk. All whole of the union executive knew of my presence there since I had been formally accepted by the union. As with all other interviews, I would talk with the informant, explain the research and the issues I was interested in, and give a detailed account of the destination of the information in an academic thesis. This was particularly important as I would ask permission to tape the interview. It is worth noting that I soon discovered that I had been "checked out" by some union people. This is a common practice in Brazil in a union or party-political environment. The person is "checked out" to see if he or she is not connected with the police or, in this case, with the National Steel Company's management. Although I had been "sponsored" by people from DIEESE, who are seen as trustworthy by the union leaders, I later discovered that my political preferences had also been checked with other people from my past political party activity (24).

Other Informants' Networks: Workers' Living Districts and the "Workers' Pastoral".

At the same time that I was obtaining access to the group of activists and union officials, I also tried to set other networks among steelworkers, not necessarily linked to

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24. As an undergraduate student in Sociology, I was a member of the Workers' Party (PT). Although this information might have had a negative impact among those union leaders who were critical of the Workers' Party, I suggest that this did not occur because I was no longer a Party member and had been living outside Brazil a few years already by the time I conducted the research.

the union. This was an important point since "snowball" referrals obtained through workers in the union would most probably be made up of active and militant workers. I also set out to initiate other networks of workers with less political commitment or no membership or participation in the union as well as workers who were critical of the union or in organised opposition to it. My aim was to study the broadest possible range of opinion among steelworkers about "new unionism". Biernacki and Waldorf (1981:155) have referred to this procedure as a process of attainment of control of the "chains of referrals" by the researcher. As I will suggest shortly, this is a particularly important issue in regard to the representativeness of the interview material.

The strategy used to initiate these different networks was to locate and then establish contact in "locales" within which people congregate, as sites for recruitment of members (Lee and Renzetti 1990:516). I was introduced to several workers and I visited different working-class districts in my first days in the field, basically through the help of two "sponsors", the union and the Catholic Church. Some of these contacts agreed to be interviewed and later became informants. Through the "snowball referral" method, these informants then introduced me to several other workers (25). Little by little, through such referrals to workmates, friends and neighbours, I was able to initiate

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25. The basic procedure I adopted was that of asking for referrals once the interview with the worker had ended and had been successful. A majority of the workers I interviewed would usually try to help me and would offer one or two contacts.



other networks of people, not directly linked with the union or Church. With this strategy I was able to establish three other networks of informants, based on places where they congregate. These "places" were: 1) the borough of Sao Joao, 2) the borough of São Luiz and 3) the borough of Água Limpa.

What I call "boroughs" here are working-class districts constructed in what, a very short time ago would have been called rural areas of the town of Volta Redonda. What is common to these working-class districts is that they have been constructed since the welfare provisions of the "company town" days came to an end. By the late 1960s the company had disengaged from any responsibility for housing, and each worker had to solve his or her housing problem on an individual basis. Owing to the chronic shortage of popular housing in Brazil, this question is of great concern to workers. Some have relied on "self-construction" with the help of friends, over a long period of time; others have managed to buy small houses under mortgage plans organised by central government through the BNH - Banco Nacional da Habitação (National Housing Bank). One can find in these boroughs an active community with all sorts of institutions, from progressive Workers' Pastoral and Associações de Moradores (Community Associations) all the way to Baptist and Moron sects. Although it is difficult to assess which type of religious orientation - progressive or reactionary - predominates in these boroughs, it is possible to say that the progressive Catholic Church has had an impressive influence on the local grass-roots organisation.

Luckily, through "sponsorship" I was able to initiate contacts with the Workers' Pastoral, which thus became another research network together with the union and the three working class boroughs. The office of the Workers' Pastoral is located at the Diocese, in the city centre of Volta Redonda. My first contact with the Workers' Party was through the Bishop of Volta Redonda, Dom Waldir Calheiros, who together with the Bishop of Nova Iguaçu, Dom Hipólito, had played a major role in supporting grass-roots social movements, even during the most repressive years of military rule. I was "referred" to Dom Calheiros by the Director of IBASE and, after a meeting with the Bishop, he agreed to help me. The Bishop put me in contact with the person responsible for Workers' Pastoral, called Geraldo. Geraldo was very dedicated and generous and later became a key informant, presenting me to new workers. Although he had not been a metalworker himself, because of his activity in the Pastoral he knew everyone who had ever been involved with it since its early days in the 1970s. As the research progressed, Geraldo took me to his community, the district of Sao Joao and I was able to meet and interview many workers not necessarily linked with the Pastoral.

It is important to note that although I did manage to create different networks of informants and to carry out a large number of visits and interviews, the process was not a smooth or easy one. I initially faced significant difficulties in gaining access to a large number of workers. First of all, there was the high level of conflict between

workers and managers and the threat of strike action by the union. Inside the plant, management had tightened disciplinary procedures to render any type of workers' mobilisation quite difficult. Outside the plant, some militant workers had been receiving threatening messages and at one time, the company wrote to each worker's home in an attempt to discourage a strike.

In May, after no improvement had occurred in the negotiation process with management, an "occupation strike" was called. Although the strike only lasted two days and ended with a relative victory for the workers, some of the splits between union officials and activists were made explicit and many workers felt disturbed and confused by the events.

This was obviously not a good moment for a stranger to arrive and ask for "qualitative" interviews on workers' ideas about work, union and politics. My only way out was to construct strong "reference networks" where I was always introduced and "sponsored" by someone whom the worker trusted and could be easily "checked out" if the informant so wished. Although this was the best possible procedure, the practical problems involved were not easy to overcome. Difficulties of access, the fact that most workers did not own telephones, the workers' non-stop shifts and the repressive atmosphere in town, all worked as obstacles that had to be overcome during the fieldwork.

Because of the initial negotiations between "my sponsor" and a possible interviewee, I only met with workers who were

willing to be interviewed. In some cases however, this willingness was not without an initial reluctance. Once the interview was arranged, for example, it was common for workers to ask questions related to the destination of the research information. I was very willing to answer all the questions and to explain that the informant's name would remain anonymous and that his interview would be kept as confidential information. It is important to note that some of the initial reluctance was due not fears about company "spying" but to an unease about talking critically of the union or a union leader, for example, or of some political faction. The informant, quite understandably, needed some assurance of my "neutrality" in relation to the union and to political factions.

As time elapsed and I began to be "seen" and "known" by the workers in these different networks, the contacts with new workers become much easier. By then I was trying to strike a balance not only in the range of political affiliations and opinions but also in the skill composition of the workers. I will return to this issue shortly.

Some Information on the Conditions Under Which the Interviews Were Held.

I was very grateful to the workers for giving me their free time, especially as I knew how tired they always felt and how little time they had for their families and for dealing with day-to-day matters. Many workers pointed out

that they had very little control over their time: work took up around 10 hours of the day and the much-needed sleep, might take up much of the rest. Since the steel plant is such a stressful environment, fatigue and stress-related problems occurred very frequently among them.

In general, the interviews were held either at the union or the Diocese (26). Sometimes an interview might take place at the worker's home, and in this case it would be carefully accompanied by members of the family (27).

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26. I was aware of the importance of the location of the interview, in the sense that the interviewee could assume that I had some form of alliance or commitment with the people in the place. The Diocese became a reference point and a place to arrange to interview workers. Sometimes the worker might not wish to take me to his home or sometimes his home was very far way. At other times, as the Diocese was a 15-minute walk from the plant's gate, the interviewee was willing to meet me straight after work. Besides these practical aspects, I came to think of the Diocese as a sort of "neutral" ground for workers who were in open opposition with the union, because there, I was not closely identified with the "union people".

The union's headquarters was also used as an interview place. Although both places might have the disadvantage of suggesting to a particular worker that I might be linked ideologically or politically with these institutions, the union in this respect was "worse" than the Diocese. It could be disastrous, for example, to ask a non-militant or non-unionised member to go to the union or show myself with any links with them. I only interviewed rank-and-file workers in the union either when the worker himself proposed it, or when my reference had been someone from the union, and in that case there was a clear link between him and the union. In my evaluation, the Church in this case did not have the same connotations.

27. Being a female researcher and an "outsider" I sensed that by their cultural code it was not very common for a woman outside their immediate circle to engage in long and personal conversations with the local men. I would welcome the wife's presence, if she took the initiative. Sometimes the whole family might sit with us and accompany the interview.

This cultural trace of a certain "uneasiness" in contacts between an outsider female researcher and insider male informant has also been acknowledged by Eckert, C. Os Homens da Mina. 1985 page 110 and Landes, R. op. cit. 1970

My interviewing hours were linked with the workers' shifts which were: from 8:00 to 16:00 or from 16:00 to 24:00 or 24:00 to 8:00. The actual day of the week - weekday or weekend - did not matter much since the workers' day off was on the sixth day after completing one of the weekly shifts.

Earlier in this chapter I stated that "machismo" was common to my initial contacts with some management and workers. It must be stressed however, that I was able to build up with the workers an area of significant empathy, which arose from the fact that my research was about them and their work (28). Many informants expressed this very clearly by telling me how they had rarely been asked detailed questions about their work, or about their feelings and perceptions with regard to it. Many enjoyed giving me detailed technical accounts and appreciated the fact that I understood at least part of them. Although their work was so difficult, most steelworkers expressed a strong pride in what they were doing: they thought management did not value their work, but they themselves felt proud and worthy for "creating steel".

In general terms, although the first field trip was full of difficulties and problems, I would suggest that I was able to develop a good "rapport" with the informants. The field trip ended in July 1988. Although my disengagement from the field was much facilitated by my role of "peripheral

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page 126.

28. This issue has also been felt and addressed by Beynon, H. Working for Ford, 1984 and Pollert, A. Girls, Wives, Factory Lives, 1981.

membership", much less involved than "active" or "complete" membership, it was not an easy task (Adler et al. 1987). Here I strongly identify with Klatch (1988) who did research in a "politically" active community. The author stated that while there is a sense of relief in the ending of the research because of the psychological strain involved, there is also a sense of "dislocation" from one's own environment, due to the impact the fieldwork produces on the researcher, which is difficult to share with people from outside the field.

It might be suggested that since my departure from the field coincided with my return to England, there was a difficult and sharp break with the realities of fieldwork. But on the other hand this greatly facilitated the creation of a "distance" from the data and a reflection about the experience. This construction of a "distance" raises a final problem of leaving the field, which in the literature has been termed the "agony of betrayal". This refers to the fieldworker's agony of once he or she "plumbs respondents for their deepest emotions and beliefs, then leaves the field to analyse these perspectives from a theoretical and detached framework" (Adler et. al. 1987:24). Although the term might be a bit over-dramatic, I did experience a rather similar problem when I started the writing up process (29).

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29. I would suggest that owing to the nature of my research problem - the issue of union democracy in a "new unionist" union - I was particularly uneasy in the initial stages of the writing up. Although I have sought to produce an objective and critical assessment of this case study, I did not wish to undermine the important contribution of the "new unionist" union to the democratising process in Brazil.

### 3.2. Second Phase of Fieldwork - January/February 1990

What I have described above is a general outline of my first trip into the field, in 1988. The second trip, in January-February 1990, was in many respects much easier and less stressful than the first. I did not have to create new networks but only to re-access the people I had got to know in the past. Many dramatic events had taken place during the period in between. In November 1988, during a strike called by the union, the army had intervened in the plant and three workers were killed. In March 1989, one of the union's most charismatic leaders, Juarez Antunes, had died in a car crash. A few months before my second trip, a right-wing commando had blown up a monument which had been erected on the town's main square, to honour the three workers killed in the incident with the army.

It was very interesting, in this second field trip, to see how some of the militants had developed in their militancy to become important regional and even national labour leaders. It was also important to be able to follow the development of certain power disputes in the union as well as the changing roles of certain workers. For example, two of the most interesting "activists" whom I got know in my first trip, now had full-time jobs as union officials. I was also given easier access to some of the official meetings at the union. During this time, I was able to interview two of the factions of the present "Union Opposition" and to obtain



further information regarding party politics in the local community. Apart from the group of organised workers, I also visited other workers who had become key informants during the first field trip and with whom friendship bonds had developed. I was also able to make new contacts.

As I have already mentioned, I was able to gather more information from the company. This completed my research on company policies and statistical information regarding the workforce. In fact this part of the research was also helped by the fact that the union had, for the first time in its history, obtained basic information about the company as the result of an agreement with management on the "democratisation" of information for workers.

#### 4. "Representativeness" and "Validity" of the Field-Work Data

##### 4.1. An Outline of the General Structure of the Interviewed Group and Interview Material

The informal contacts and observations gathered from the two field trips to Volta Redonda were recorded in a field-notebook which accompanied me throughout the research. The final total of formally taped interviews was seventy two (72). Fifty-five (55) of these were with steelworkers who either worked in the National Steel plant or were activists or union officials in the Metalworkers' Union of Volta Redonda. Five (5) were second time interviews with the same informants. The remaining twelve were carried out with

company management, Catholic Church leaders, steelworkers' wives engaged in grass-roots community movements, a union lawyer and union advisers (30).

The 55 interviews with manual workers varied in length: they lasted on average about one and a half hours, but some lasted more than two hours and on five occasions I had more than one interview with the same informant. With a single exception, I was able to tape all the interviews. The interview schedule was used much more as a checklist of issues on which I wanted the informants to comment than as a closed-type questionnaire. The set of questions concerned the informant's work history before joining the National Steel Company, his family background in manual work, and how he got the job in the plant. I asked about his education and training, a description of present and former jobs, job routine, perception of the production process as a whole - "do you know how steel is made?" - and levels of discretion over his job. I also asked for value judgements about his work, about working in a state-owned plant, about relations with other workmates and with management. An important set of questions were designed to find out information on shop-floor conflicts the worker had knowledge of and/or had participated in - especially the nature and dimension of the shop-floor conflicts, the protagonists involved and the ways in which the conflicts were played out.

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30. Besides these formal taped interviews, many informal talks and contacts were recorded in the field trip notebook and proved to be an important source of information in the writing up phase.

Another set of questions referred to the informant's participation in, and views about the union. I asked about the history of his "unionisation", when he was a member and would try to bring this history up to the present day. When he was not unionised I would try to discover the reasons for that. The day-to-day union presence in the plant and the content of activist action were also explored. Questions were asked about the worker's views on the ten strikes in the company since 1984 and about his behaviour of participating or withdrawing during the strikes.

Participation in non-union associations such as Church and community gatherings, as well as political party preferences (if any) were also explored.

Finally, there was a set of specific questions for the workers who were leaders. I was interested in tracing the process of their "politicisation", their affiliation to political parties and organisations, if any, as well as their overall assessment of the union government since the birth of the "Union Opposition Group". I would also try to explore their position in relation to the different workers autonomous confederations - CUT, CGT and CGT - as well as their short-term and long-term goals as leaders. Questions were asked about the different factions in and outside the union, and I tried to locate the leaders' own position in relation to the splits that were taking place. A further set of questions concerned the everyday and administration of the union, the decision-making process, the forms of accountability to the rank and file and the ways in which

policy priorities were drawn (31).

The researcher's way of formulating questions to the interviewee is undoubtedly one of the so-called "arts of the trade". The themes outlined above were "translated" into workable and less leading questions (32). As the interview progressed, I was able to build up a vocabulary of local and technical words which allowed both better communication between researcher and interviewee, and a greater understanding of the "categories of thought" of the researched group.

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31. The reader will find that in the citation of informants' interviews, I have followed two different systems. When steelworkers, Company managers, and other informants are cited, they are allocated numbers to guarantee anonymity. In other occasions, instead of numbers the worker himself is named. This takes place only in the case of union leaders, who are public figures. This was done with the leader's knowledge and with the objective of giving accountability to their opinions.

32. By less leading questions I mean that the informant had the freedom to introduce issues which had not been anticipated, and that the questions did not have to be asked in the initially proposed order.

However, the order in which some questions were raised was not random. Since union questions and party-political questions are very "sensitive", it was thought that they should follow a set of questions on the informant's life as a worker so that some interaction could occur before more difficult questions were addressed to the informant.

For details on different types of interview procedures, see Ellen, op. cit. 1984 page 230. For a very good discussion of the "qualitative interview" see Burgess, R. "Conversations with a Purpose: The Ethnographic Interview in Educational Research", op. cit. 1988.

#### 4.2. The Ideas of "Theoretical Sampling" and the "Triangulation" of Data

I would like in this section to address the issues of the "representativeness" of my data as well as the validity of the information gathered. The selection of interviewees was oriented by the type of research problem. The interviewed group may be divided into two sub-groups. One group was composed of the 12 interviews carried out with managers, community representatives and union advisers. These interviews were sought as complementary data, to cross-reference the information that was being obtained in the interviews with workers as well as the data based on company and union records.

The second sub-group was composed of interviews with the manual workers. This group of interviews was treated according to Bryman's suggestion, as a "theoretical sample" of the social and political insertion of a group of workers from the National Steel plant (33). The basic objective of the author was to formalise the way in which qualitative samples are obtained. Whereas a statistical sample bears a relationship to the numerical characteristics of the larger

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33. As defined by Bryman, "according to the principles of "theoretical sample", the researcher observes only as many activities or interviews as many people, as are needed in order to "saturate" the categories being developed (...)". For details see Bryman, A. op. cit. 1988 page 117.

For another way of drawing qualitative sampling see Patton's idea of a "purposeful sample with maximum variation sampling" in How to Use Qualitative Methods in Evaluation. 1987.

population from which the sample is taken, a qualitative sample should bear a relationship to the theoretical principles or theoretical characteristics of the problem under investigation. A qualitative sample has a theoretical contour, shaped by the social, political or economic characteristics of the problem under investigation.

In line with these ideas, I would point out that my research sample was not statistically representative in relation to the numerical universe of the manual workforce at the National Steel Company but was a "theoretical sample" of political views and the different levels of activism of workers in a "new unionist" union, as well as a theoretical sample of the skill composition in the production plant. Two propositions oriented the selection of the workers to be interviewed:

- 1) The aim was to draw the best possible picture of different points of view and levels of participation from workers with regard to the shop-floor, the union and national politics.
- 2) Since the workforce in the steel process industry is divided into process workers and maintenance workers - as the core and most strategic workers on the one hand, and the non-strategic semi-skilled and unskilled workers on the other - I intended to gather interviews from these four "groups" of workers.

The research material has, in my view, been consistent with these two propositions. In relation to the first, I have interviewed unionised and non-unionised workers; union

leaders, union activists, active workers and non-active workers; union leaders and activists from different political affiliations, in office in the union as well as out of office in opposition; workers who took a limited part in militant actions and workers who did not take part in them at all or were even opposed to them; and finally, workers who had run in some type of political election for legislative or executive posts.

It was more difficult to control for the second because it meant selecting people by skill level and the five contact networks were unrelated to this. However, with my knowledge of the skill composition in the production plant, I tried, as the research progressed to try to exert control over the referral chains based on this substantive issue (Biernacki and Waldorf 1981:155). The "control" was exercised by prioritising workers with a particular skill and level of participation at the same time politely refusing interviews with an already "saturated category of workers". This issue brings us to the difficult problem of knowing "when to stop" interviewing. My approach in this respect was inspired by the view of Biernacki and Waldorf (1981:157) that the number of cases provided by the referral chains should be limited when the data becomes repetitious. At that point, say the authors, the researcher should feel confident that the possible variations within a particular sub-group have been exhausted.

I would like to explain this further. At one point in my first field trip, I stopped to analyse the skill composition of the group of interviews and realised that up to then, only

one interview had been with an unskilled worker, while a significant proportion had been with skilled workers from the plant's maintenance sectors. I was then worried that this would result in over-representation of a certain skill and under-representation of another. As it turned out, this was the result of a structural characteristic of the company's labour market allied with the socialisation of the unskilled workers. Cross-checking with other sources soon allowed me to learn that the pattern of skill composition of my interviews followed the skill distribution in the plant as a whole. Unskilled jobs had been decreasing significantly in the company since 1978, as they were transferred to sub-contracting firms. Although unskilled jobs had not been completely abolished, they tended to constitute an initial port of entry in the job ladder, and not a job in itself. Because of the characteristics of the internal labour market in the company, many workers stayed very little time as unskilled labourers. The significant number of skilled workers in maintenance jobs also reflected the strategic importance of the maintenance sector in a process industry such as steel.

The particular skill composition of my sample could also be explained by the different social participation of the skilled and unskilled worker. Unskilled workers did not appear "spontaneously" in my networks because in fact they are much more isolated from other workers. Those who remain unskilled labourers in the company are the most poorly paid workers and generally have the worst living conditions. They



are viewed as low-status jobs by other workers, who sometimes discriminate against them. It is also among the unskilled that the greatest number of illiterate workers can be found. Moreover they seem to be the least willing and the most reluctant to take part in union activities or shop-floor mobilisation.

The problem of the validity of qualitative data is also an important issue to discuss (34). Validity of my field-material has been sought in two ways, by internal triangulation and by external triangulation. As proposed by Ellen (1984:235) internal triangulation consists of eliciting the same data in a different way from the same informant, or of cross-checking significant statements and descriptions, with the statements and descriptions with those of other informants.

External triangulation has been sought by what Denzin (1971:291) termed "strategies of multiple triangulation". Multiple triangulation consists of combining different types of methodology and research sources so that the researcher can have as many different perspectives and "versions" of the problem under investigation as possible.

I have sought to carry out triangulation in my research by complementing my field work and qualitative interviews

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34. There are three classical papers which directly discuss this problem. See Becker, H. "Problems of Inference and Proof in Participant Observation" in American Sociological Review, No. 23, 1958; Manning, P. "The Problem of Interpreting Interview Data" in Sociology and Social Research, Vol. 61, April, 1967 and Foot Whyte, W. and Dean, J. "How Do You Know if the Informant is Telling the Truth?" in Human Organization, Vol. 17, No. 2, Summer, 1958.

with data collected from primary and secondary sources. This data served not only as contextual information for the "scene- setting" in the thesis but also as support for the triangulation of the analysis.

The primary and secondary sources I used may be divided according to the research location: Volta Redonda or Rio de Janeiro. In Volta Redonda, alongside the work based on the union, the company, the Diocese and workers' boroughs, the following places were important sources of information: 1) The Centro de Formacao de Ativistas (Centre for the Formation of Union Activists) (35); 2) The Centro de Memoria Sindical (Centre for Union History) (36); and 3) The Central Archive of the National Steel Company.

These different archives provided me with "hand-out" material as well as records of meetings and correspondence between the union and the company which were used as sources of evidence in the thesis.

In Rio de Janeiro, the specialised libraries of four institutions were the main sources of secondary information:

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35. This Centre was created in 1986 and existed up to 1989. It ran courses for union members and activists on demand, generally related to information on Legislation, Political Education and discussions on economic issues. It had a small library with copies of company reports, pamphlets and newspaper articles.

36. This Centre is directly linked with the Metalworkers' Union. In 1964 the union was invaded by the political police and suffered intervention by the Ministry of Labour. At this time all the union archives were taken, never to be seen again. The Centre's main job is to re-construct this "lost record" by oral history as well as by collecting scarce sources wherever they exist. Ever since its creation, in 1985, the Centre has been collecting all the written material produced by the union since the "Union Opposition Group" won office in 1983.

1) IBS - Instituto Brasileiro do Aço (The Brazilian Steel Institute); 2) SIDERBRAS - Siderurgia Brasileira (The Brazilian Steel Holding); 3) The National Confederation of Industries and 4) IBGE - Instituto Brasileiro de Geografia e Estatística (The Brazilian Institute of Geography and Statistics).

As the national media gave prominence to strikes at the National Steel Company and to important developments in the town of Volta Redonda, I utilised newspaper material to complement my interview data with alternative descriptions of the strike events. I also looked in newspapers for more detailed information on the situation of the state-owned companies and the government's economic policy. I was greatly helped in this task by the fact that a local quality newspaper, the Jornal do Brasil, has an archive of newspaper cuttings collected since the 1960s, from all the quality papers in the country and organised by subject headings.

I would like to conclude by pointing out that although the use of "internal" and "external" triangulation made my fieldwork much more expensive and considerably more time-consuming, the end result was in my view a positive one. By using triangulation the researcher gains more confidence in his or her data since it is cross-checked by other of points of view and sources of information.

## 5. The Computer Software for the Analysis of Qualitative Data

After I returned from the field to London, the analysis of the interview material was carried out with the support of a computer program for qualitative analysis. "The Ethnograph" is a software package created by Seidel, Kjolseth and Seymour, all themselves qualitative researchers (37). It allows for the retrieval and coding of the qualitative data, once it has been transcribed into the computer. The software replaces the traditional "cut and paste" activity at the point in the research where analysis should begin (38). It does not substitute for the researcher's effort in producing analytical meanings of the material, but it does eliminate the messy and difficult task of manually coding the interviews.

Of the many stages in the process of data analysis, the greatest contribution of this software is in the phase of coding parts of the transcribed interviews with the appropriate meaning or interpretation from the researcher, and later in searching for the codes. The software allows the researcher to code and re-code all the data as many times as he/she finds necessary. And since the process of coding is a

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37. See Seidel, J. and Clark, J. "The Ethnograph. A Computer Program for the Analysis of Qualitative Data" in Qualitative Sociology. Vol 7. Spring/Summer. 1984.

38. For more details on the use of The Ethnograph and its application for the analysis of my fieldwork material see Mangabeira, W. "Qualitative Analysis and Microcomputer Software: Some Reflections on a New Trend in Sociological Research". Commended by the International Sociological Association in the Worldwide Competition for Young Sociologists. Madrid, 1990.

first and very important stage of analysis, it was very helpful to be able to render the coding system more complex as the analysis progressed.

Once the material has been coded, even if incompletely, the software allows for the "searching" of codes for all or parts of the data. In the searching process the researcher can discover recurrence of patterns, the context in which the patterns vary, and test all the insights which might come up.

I would suggest that the use of computer software for the analysis of qualitative data is an important breakthrough for sociological research since: 1) it enhances the speed of the analysis, 2) it guarantees that all the data is thoroughly analysed by a consistent retrieval system, and 3) it enhances the freedom to "play with one's data" and to explore different possibilities of data interpretation (39).

## 6. Conclusion

I have tried to describe in this chapter the general constraints and the conditions under which fieldwork was undertaken in Volta Redonda. I have sought to describe the negotiation of "entrée", the process of establishment of

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39. For a discussion on "the state of the arts" and a view of the different types of software for qualitative data available in the market see Pfaffenberger, B. Microcomputer Applications in Qualitative Research, 1988 and Tesch, R. Qualitative Research. Analysis Types and Software Tools. 1990. For the most up-to-date book on the subject, see Fielding, N. and Lee, R. Using Computers in Qualitative Research. 1991.

rapport and the process of leaving the field and analysing the data.

I have addressed the problems that arose from researching a "sensitive" topic such as union activism and politics, as well as the problem of being a female researcher in a male-dominated environment. I have tried to be transparent about many difficult issues which arose in the field such as those related to the ethics of the "double identity role", the dangers of "over-rapport" and the so-called "the agony of betrayal".

I have argued that I tried to control for "bias" by assuring that the selection of informants was the result not of personal preference and prejudice on the researcher's part but of the use of the "snowball referral method" and the "location of locales for recruitment", which resulted in the five networks of informants. I have also argued that the groups of informants interviewed for this research are representative of the different levels of union activism as well as of different perceptions about the union and about politics. Moreover, I have argued that the skill composition of the interviewed group is representative of the structure of the internal labour market in the steel-making plant, dominated by skilled jobs of operators and maintenance workers. I hope it will become clear in Part Two of the thesis, where I draw more directly from the interview material, that the theoretical sample has proved to be rich and diverse in terms of active and non-active workers with significant variations in terms of the "colouring" of

workers' positions vis-a-vis the union and national politics.

The validity of the data has been cross-checked by "internal" and "external" triangulation carried out during field trips and in later periods of research analysis. I hope to have been successful in contextualising the fieldwork and to have convinced the reader of my attempts to achieve objectivity in the research.

PART ONE: SCENE-SETTING

A HISTORICAL ACCOUNT OF THE SYSTEM OF LABOUR RELATIONS  
IN BRAZIL, THE NATIONAL STEEL COMPANY'S MARKET  
AND THE POLICIES OF WORKFORCE MANAGEMENT



## CHAPTER 2

### A SHORT HISTORY OF LABOUR RELATIONS IN BRAZIL AND THE BIRTH OF "NEW UNIONISM"

This chapter will outline the system of industrial relations in Brazil and qualify what has been termed the "corporatist" relations between the state, employers and the working-class. It will offer a short account of the general political trends and the state of labour organisations from 1945 up to the period of democratisation that began at the end of the 1970s.

The chapter will analyse the "populist" labour unions during the 1960s and trace the emergence of the "bureaucratic" unions after the 1964 military coup. It will then analyse the birth of the "new unionist" movement, the course of the labour upsurge, and the break with former patterns of corporatist relations. The basic argument is that although the "new unionist" movement has not broken completely with the corporatist legacy, it has succeeded in creating a position of greater strength for organised labour. This is so because it has been able to impose changes on the labour relations system, as well as acquire the status of a legitimate actor in national politics.

Finally, the chapter will describe the major disputes and splits within organised labour after 1978 and present the necessary background information on state-labour relations in

Brazil during the 1980s.

## 1. The Corporatist System in Brazil

The relations between social classes in Brazil have been mediated by the regulatory role of the state which has sought to organise a system of interest representation. As defined by Schmitter, the mode of organisation of Brazilian society is a corporatist one. For this author, corporatism is:

"a system of representation in which constituent units are organised into a limited number of singular, compulsory, non competitive, hierarchically ordered and functionally differentiated categories, recognised and licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands (political) and supports" (1).

In this political model, interest representation can only be exerted through groups which are recognised by the state and interact with the state in pre-defined and regulated ways.

This corporatist system was inaugurated in Brazil between the years 1937 and 1945, during Getulio Vargas' dictatorship. In the rhetoric of this period which is usually referred to as the Estado Novo period, social peace and harmony based upon direct state mediation were to replace

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1. In Schmitter, P. "Still the Century of Corporatism?" in The New Corporatism. Pike and Stritch (editors). 1974 pages 93-94. In the same text the author stresses that although the definition of corporatism is of an ideal-type, Portugal and Brazil, which he has studied in great depth, come very close to this model. For a classical study of Brazilian's corporatist system see Erickson, P. The Brazilian Corporatist State and Working Class Politics. 1977.

open class conflict. Vertical forms of representation would prevent face-to-face confrontation between different class interests (2).

Although in theory the corporatist system regulates and encapsulates the interests of all the groups in society, corporatist controls are primarily designed to contain workers' interests within a framework of collaboration with both capitalists and the state. In Brazil, the state's special interest in exerting control over the working-class resulted in the creation of a corporatist labour system with a structure consisting of a) the Ministry of Labour; b) the Institutes for Pensions and Social Welfare (Institutos de Aposentadorias e Pensões); c) the Labour Code. In accordance with corporatist principles, the interests of labour, capital and the state were to be represented in the structure as a whole, through a tripartite system (3).

The Ministry of Labour was created in 1930, and with its

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2. It is important to note that the implementation of the corporatist system met some opposition in the labour movement. This opposition, however, was unsuccessful for three main reasons. On the one hand, the more autonomous and mobilised groups of workers were directly repressed, especially the anarchists and communists in the first years of Vargas' rule. The failed "Intentona Comunista" of 1935 and the later repression of the more militant part of the labour movement left few alternatives for open opposition.

On the other hand, the very nature of the system meant that the monopoly of representation and the nature of union financing, rendered any attempt at autonomous union organisation almost impossible.

The successful establishment of the system can also be attributed to its ambiguous character in relation to workers' rights. For, although corporatism was imposed on workers, many of the rights granted by the CLT Law responded to their demands and needs.

3. For a synthetic outline of the corporatist unions see Troyano, A. Estado e Sindicalismo. 1978.

first decree (decree number 19.770) it inaugurated state control over professional associations, established the principle of "monopoly of representation", and imposed the requirement of formal recognition of unions by the state (4). These powers were greatly expanded after the 1937 coup in which Vargas continued as head of state but with dictatorial powers. By 1939 the Ministry of Labour was already a centralised state bureaucracy with mandatory powers for creating rules, judging disputes and repressing what it deemed to be illegal or unregulated labour activism.

The Institutes for Pensions and Social Welfare were state bureaucracies, which sought to regulate the conditions of reproduction of the working-class and to expand the government's legitimacy by granting some of the demands made by the labour and social movements in former years. The Institutes for Pensions were differentiated by the various categories of workers. The Institutes were financially structured and administered in a tripartite fashion, between employers, employees and the state. Membership contribution to the Institutes were compulsory for all workers and operated as a space for channelling the social needs of the working-class. Depending on the Institutes' particular size and financial strength, they implemented a pension system for retirement, a health-care system and other social welfare provisions completely non-existent until that point in time

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4. For further details about the process of creation of the Ministry of Labour and the subsequent regulatory decrees, see Martins Rodrigues, L. "O Sindicalismo Corporativo no Brasil - Persistencia e Mudanca". 1981 page 14 and Werneck Vianna, L. Liberalismo e Sindicato no Brasil. 1978b, pages 146-147.

in the country.

The Institutes constituted channels for the birth of a large state bureaucracy, as well as important means for the co-optation of union leaders through the prospect of social mobility. In 1964 these various Institutes were brought together under a centralised state bureaucracy named Instituto Nacional de Previdência Social - INPS (National Institute for Social Security).

The Labour Code or the CLT Law - Consolidação das Leis Trabalhistas was enacted on November 1943. Unifying a series of dispersed existing clauses, as well as new clauses further regulating industrial relations in Brazil, the CLT Law defined categories of industrial groups, prescribed conditions of employment, dealt with the organisation of trade unions and established basic labour rights.

Although the workers' general right to strike was granted by the Constitution of 1946, the legality or not of a strike usually varied in accordance with the political regime in power. Specific provisions were only clearly defined by complementary legislation in 1964, when strikes were almost completely prohibited except to force an employer to pay overdue wages or enforce a court-established wage increase (5).

The Ministry of Labour, the Institutes of Social Welfare and the CLT Law formed the interlocking basis for regulation

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5. For more details on strike legislation see Sandoval, S. Strikes in Brazil. 1984. For more information on the procedural impediments to strikes see also Erickson, K., op. cit.

and control of all aspects of the public life of the working-class. The corporatist labour system in Brazil allowed the state to exert social, economic and political control over workers. It enhanced the elitist tradition in Brazilian politics by inaugurating an exclusionary system whereby relations of domination were enforced by vertical state structures (Keck 1989:285). This process of partial and controlled incorporation of the Brazilian working-class in society through the corporate system has been coined by Guilherme dos Santos as "regulated citizenship" (6). This concept refers to the limited incorporation of the Brazilian working-class which could not exert complete political rights and whose citizenship rights were limited to their rights as waged labourers. As I hope to show in later chapters of this thesis, although the concept of regulated citizenship originally referred to the process of construction of the corporatist system in the 1930s and 1940s in Brazil, it still had significant explanatory power in the 1980s when workers were striving to break with this regulated past.

With the emergence of the "new unionist" movement and the democratisation of Brazilian society in the 1980s, there has been an animated debate about the creation of a new system of industrial relations and the emergence of open

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6. By regulated citizenship Guilherme dos Santos understands a particular concept of citizenship which is rooted in a system of occupational stratification defined by legal norm. The rights of citizenship are linked to a profession, as defined by the state and the law. It is only as a waged labourer that a person can exercise his/her rights and duties. See Guilherme dos Santos, W. Cidadania e Justiça. 1979 page 30.

political competition between groups. The drafting of a new Constitution in the period 1986-1988 allowed for the "new unionist" movement and the new social movements to express their demands and to draw legal arrangements reflecting a little more adequately the new social and political reality of the country. However, although the corporatist system was largely broken once the labour movement grew in autonomous union organisations and began to express itself politically through the Workers' Party (PT) and other political parties, other aspects of the system have remained untouched. The following outline of the industrial relations system in Brazil will provide the necessary background information for the Volta Redonda case study analysis.

## 2. The Brazilian Industrial Relations System

### 2.1. The Principle of "Monopoly of Representation" by the Union

Up until the drafting of the New Constitution in 1988 the CLT Law defined unions as public associations that needed to be recognised by the Ministry of Labour in order to have legal status. Although this requirement is no longer in force today, many other aspects of the CLT Law have not been altered. I will now outline the major points.

The CLT Law classifies and differentiates workers by industrial groups, by the nature of their activity. This defines a categoria and regulates the occupational group

workers are allocated to, according to the major business interest of the firm. The classification of companies or firms in a specific economic group is done on the basis of their predominant activity. The union to which the workers of a company are supposed to affiliate, is subject to this criterion. Thus, a steel company will be classified as a metallurgic enterprise and its workers will belong to the categoria of metalworkers.

In theory this means that there will be no skill division in the union affiliation and that this affiliation will thus embrace a wide number of jobs and professions. Although the system of affiliation does not work exactly as described in theory, it is important to note that the "predominant activity" criterion actually does determine the union affiliation for the majority of workers (7). From this, it is possible to say that there is no skill division within Brazilian unions. Skilled, semi-skilled and unskilled manual workers are all grouped together in one and the same union. The union's base is established through a geographical criterion. The Ministry of Labour specifies a "jurisdiction", a small geographical area usually composed of one or more municípios. This geographical base, together with

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7. However, the affiliation of the workers of a company to a union does not cover one hundred percent of its workforce. As Albertino Rodrigues has pointed out, the affiliation criterion is subject to disputes amongst the unions themselves, during the time of union recognition. The criterion of "predominant activity" does not operate very strongly and varies from case to case; each company frequently has its workforce divided between more than one union. For more details see Rodrigues, A. Sindicato e Desenvolvimento no Brasil. 1968, page 104.



the categoria constitutes the local union (8).

There is monopoly of representation among the unions. Only one labour organisation is recognised for each occupational category in a geographical jurisdiction, as defined by the Ministry of Labour. This monopoly raises an important political debate about the extent to which open political competition can take place between different union factions. I will return shortly to this issue.

Local unions are linked at the state level in federations and these in turn are linked at the national level in confederations. The structure is a vertical one and until very recently any centralised horizontal integration was prohibited by law. Local unions are autonomous and independent within their geographical base.

## 2.2. Union Finance

The compulsory membership of a whole categoria in a local union is obtained through the institution of the imposto sindical - a union tax. This tax is made up of one day's pay per year, and up to 1988 was withheld and

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8. The steelworkers of the National Steel Company are a good illustration of this system. They belong, according to the Ministry of Labour, to the categoria of metalworkers (metalúrgicos) as is true for any steelworker in any region of Brazil. The metalworkers as a categoria are to be members of the Metalworkers' Union. In the case in point, the Ministry of Labour grouped three different municípios into the same union. Thus, the steelworkers of the National Steel Company belong to the Sindicato dos Metalúrgicos de Volta Redonda, Barra Mansa e Resende (Metalworkers' Union of Volta Redonda, Barra Mansa e Resende).

distributed by the Ministry of Labour (9).

The union tax is compulsory for all workers in the company covered by a particular union. Thus, the union's base is related much more to the local labour market of a specific region than to any union activism. This structure allows for the financial support of a union regardless of active membership recruitment.

Payments of the compulsory union tax does not accord the worker any rights as a union member. To become a member the worker must pay the regular union dues in addition to the tax. Up to 1988 the labour law specified the ways in which the union tax might be used, and there was great emphasis on the so-called "welfare" services such as medical and dental services and legal assistance offered by the unions.

The compulsory union tax was an important support base for the maintenance of control by pro-status-quo union leaders, since they could remain in power regardless of the size of their membership. The system also created a built-in disincentive for participation by the rank and file, since it could benefit from the union work contracts and negotiations over wage increases without being union members or exerting any pressure in the process (10). Although many aspects of

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9. The distribution of the union tax by the Ministry of Labour, up to 1988, was as follows: the local union received 60%, the federation 15% and the confederation five percent. The remaining 20% percent was left with the Ministry of Labour. Source: Folha de São Paulo, October 19 1986.

10. Although there are other sources of union income the union tax, however, is the most important source of finance. In 1965, for example, it was estimated that the union tax alone was responsible for 70% percent of the local unions' income. For more information see Mericle, K. "Corporatist

the industrial relations system were altered in the 1988 Constitution, the "monopoly of representation" clause and the union tax remained as basic union rules.

### 2.3. The Labour Courts as Compulsory Mediators

Up to 1988 Labour Code, stipulated that all collective agreements had to be negotiated between the workers' union and employers, with the mediation of the labour courts (11). Although the labour movement has repeatedly pressed for direct negotiations and although the government has made some moves to this effect, the labour courts continue to exert significant influence in the negotiation process between workers and employers. One of the major reasons for this is that ever since 1964 successive "government-controlled wage policies" have left the courts with great power to arbitrate over the "legitimacy" of demands for wage adjustments and increases.

The labour court system works in the following way. The Ministry of Labour sets one month in the calendar year when each and every categoria can negotiate a new work contract through its local union. This contract may deal with wages, working conditions and basic benefits and is annually renewed. The target date for annual renewal of the contract

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Control of the Working Class. Authoritarian Brazil Since 1964" in (James Maloy editor) Authoritarianism and Corporatism in Latin America. 1977 page 315.

11. For a thorough account of the history and structure of the labour courts, see Albino Rodrigues, J. Sindicato e Desenvolvimento no Brasil. 1968, page 112.

is called the data base, and the period before it is signed is known as the Wage Campaign Period.

The labour courts affect the wage campaign in three ways. 1) If workers and employers reach an agreement as a result of direct negotiations, the court must oversee the agreement for it to become valid. But as the practice of direct negotiations was quite rare in the labour movement before 1978, the two most common procedures until then were the following. 2) Labour and capital would go to court to negotiate a new labour contract mediated by the regional labour court. If the parties reached an agreement, the Labour Court would seal it and it would remain valid for one year. 3) If the parties did not reach an agreement, the case would automatically go to the Regional Labour Courts and in appeal cases, to the Supreme Labour Court which would provide compulsory arbitration. This process is known as dissidio coletivo and usually refers, although not exclusively, to the setting of wage increases. Since the Labour Courts also determine the legality of strikes, they may be said to constitute one of the most powerful institutions in the corporatist system.

The Labour Courts also provide for the presentation of grievances by individual workers against an employer. These might relate to work and health conditions, unfair treatment, discrimination and all sorts of disputes over workers' rights granted either under the CLT or under the annual labour contract negotiated by the workers' union. To call these "individual" grievances is to make clear that they are not

taken up by the union as a problem of the whole categoria. There can be cases at the Regional Labour Courts, however, where groups of individuals from the same company come together in a single case against their employer.

A significant part of Brazilian unions have traditionally allocated finances to meet high demand for legal assistance for the workers, usually with a special "legal department", and a group of lawyers and assistants. With the advance of workers mobilisations after 1978, this picture changed considerably and there was a politicised use of legal channels by workers. Individual-level court cases were used by militant unions in an innovative way to gain concessions from employers. This interpretation is not consensual in the literature, however, and will merit a detailed analysis with empirical data in Chapter 8.

The Labour Courts are composed of a tripartite system with labour judges, employers' judges and career or government judges for all the three levels. The tripartite structure does not guarantee equity in the handling of disputes. As pointed out by Moreira Alves (1988a:43) since their creation the courts have been vulnerable to pressure from organised interest groups and particularly from government. Although the author does not advance an explanation for this, it can be attributed to the relative dependence between executive and judicial powers in a still undemocratic country, and to the highly explosive nature of the issues on which the courts rule, such as the legality of

strikes and wage increases (12).

As pointed out by Keck (1989:253), space is built into the system for coopting workers into the state bureaucracy, either in the social welfare institutes or through the Labour Courts, and this could explain passive and uncritical behaviour on the part of labour representatives. The prospect of social mobility through high wages, the enjoyment of a positive status and the network of influence and power in these tripartite roles, can sometimes weaken more militant and critical types of participation by workers.

#### 2.4. Final Remarks

Before closing this outline I would like to emphasise some ideas which will be useful for the discussions ahead. First, the structure of compulsory affiliation acts as a disincentive for mobilisation, producing a high number of union tax payers who enjoy various benefits regardless of active union members. Although this system "protects" weaker unions, it leaves the union politically vulnerable because the size of its union base does not reflect its militant strength. This has raised significant issues for the "new unionist" unions which have promoted mass recruitment drives but on the

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12. In a complementary view, Mericle has acknowledged that the anti-labour bias in the handling of disputes is due to two elements: the selection procedure of the labour judge and the structure of decision-making in the courts. For more details on the process of selection of labour judges see Mericle, K. op. cit., page 312 and Sandoval, S. op. cit., page 4.

other hand, campaigned during the drafting of the new Constitution for the union tax and the "monopoly of representation" to be maintained.

Second, the above outline is a "dry sketch" of the legal arrangements of the industrial relations system. It has not brought out the tensions between legal norms regulating union action, and the "custom and practice", which can gain legitimacy as a result of numerous variables at a certain point in time. Over the years the "new unionist" movement pressed for and obtained changes in the repertoire of organised labour's rights, so that once-illegal practices such as strikes and direct negotiation with management became legitimate. Later institutionalisation in legislation, especially through the 1988 Constitution, was the result of concrete changes imposed through strikes, grass-roots organisation and "new unionist" strategies since 1978. The following section of the chapter will give a historical account of this process of change.

### 3. Labour Control by the State and the Politics of "Populist" and "Bureaucratic" Unionism

#### 3.1. President Goulart and "Populist" Unionism

Roughly in the period of Brazilian history from 1945 up to the military coup in 1964, some of the restrictive measures contained in the CLT were not enforced and labour was able to gain some concessions from government and

employers. The liberal or strict application of the legislation varied in accordance with the political regime in power. The law itself remained largely unchanged right up to the proclamation of the new Brazilian Constitution in 1988.

Although the corporatist system was erected in the 1940s to respond to an already capitalist economy, the emergence of the modern Brazilian working-class is bound up with the accelerated industrial development of the 1950s led by President Juscelino Kubitschek (13).

Juscelino Kubitschek was elected President in 1955 and in strong contrast with his immediate predecessor - Getulio Vargas (1951-1954) - minimised the nationalist rhetoric against foreign capital. The new president encouraged foreign capital to help in further industrialisation of the country, under a slogan that "50 years of progress were to be achieved in five". The laying down of basic infra-structure, the expansion of industrialisation and the creation of Brasilia - as a gesture to "integrate" the country from a geographical centre - have been cited as Kubitschek's main achievements. His programme was only possible, however, at the cost of uncontrolled state financing and increased debt.

During this period foreign capital investment in Brazil

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13. This historical outline has been drawn from the following sources: Skidmore, T. Politics in Brazil, 1930-1964: An Experiment in Democracy. 1967; Benevides, M. O Governo JK and Bandeira, M. O Governo João Goulart: As Lutas Sociais no Brasil, 1961-1964. 1976. For a more recent historical outline see Greenfield, G. "Brazil" in Latin American Labour Organizations. (Greenfield and Maran editors). 1987; and Lamounier, B. "Brazil: Inequality Against Democracy" in Democracy in Developing Countries. Latin America. Diamond, L. et al. editors. 1989.



was stimulated and a "modern" productive sector was created either with the direct presence of multinationals, by combination with local capital or through loans from foreign banks. This policy constituted what is known as the process of "import substitution", in which Brazil began to produce internally industrial goods which historically had been imported (14). The state-owned productive companies, especially steel, played an active role in this process (15).

Industries producing capital goods and consumer durable such as automobile, metallurgy, machine tools, electrical equipment and chemicals - rapidly expanded over more traditional sectors such as textiles and food. Geographically, this expansion was located in the centre-south of the country, covering states like Rio de Janeiro, Sao Paulo and Minas Gerais, with a disproportional concentration in the region around Sao Paulo.

Accelerated industrial development changed the map of social classes in Brazil, expanding the working-class numerically and changing its composition. In this process a new urban middle class also developed through, among many other factors, the expansion of managerial and technical jobs and the growth of a service sector.

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14. For a classical analysis of the process of import-substitution see Conceicao Tavares, M. Da Substituição de Importações ao Capitalismo Financeiro. Zahar Editores. Rio de Janeiro. 1975.

15. By state-owned productive companies or enterprises I mean capitalist enterprises which are owned by the state. The adjective "productive" is meant to differentiate them from the state-owned administrative and/or service sector.

Kubitschek enjoyed considerable popularity as a charismatic leader and relaxed some of the controls over labour and working-class politics. Trade unions gained strength and were able to mobilise for a number of important strikes. Besides struggling for immediate economic demands, workers became more politically oriented and pressed for reforms of a social and economic character. Despite the populist rhetoric and a real increase in the minimum wage, the mass of Brazilians did not take part in the growing prosperity and started to feel the burden of increased inflation. The "liberal populist" character of the government allowed for tolerance of workers' organisation and demands, but within the strict limits of the corporatist labour law and under a rhetoric of great national development.

In the years between 1961 and 1963, the reformist government of Joao Goulart brought the working class even closer to the state. Goulart's interest in basic reforms provoked serious divisions among the traditional ruling elites, and he was able to move from the vice-presidency to the presidency after Janio Quadros' resignation, only because of a strong and unified support from liberal and left wing members in the Congress.

The Brazilian Communist Party (PCB), and other left wing forces in the country such as the Socialist Party (PSB), followed a policy of supporting the government, on the basis of a shared interest in favour of the national bourgeoisie and some basic reforms such as a land reform.

The use of the term "populist" to describe this period

derives from the particular relation between government and labour, with the working-class playing the role of a support base for the weak President (16). Joao Goulart was from the Brazilian Labour Party (PTB) and had been Vargas' Minister of Labour in 1953. This allowed him to use the corporatist base among union leaders, who had direct access to the President and increased their participation in the government. Given the constraints in the labour code and the politics practised by the union leaders linked to the PCB and the PTB, it was possible to mobilise the working-class to exert pressure together with the industrial national bourgeoisie for the modernisation of the country, under the banner of "nationalist interests". Since Goulart lacked support from the traditional elites, he was dependent on working-class support and was forced to use the corporatist controls selectively and cautiously.

In 1962 an autonomous union confederation the Workers' General Central (Central Geral dos Trabalhadores - CGT) was created with the support from parties such as the PTB and the PCB. For the first time in Brazilian history, rural workers were also organised nationally, in the Confederation of Agricultural Workers (Confederacao Nacional dos Trabalhadores Agricolas - CONTAG). Among the social reforms sought by the CGT, were greater democratisation of state power,

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16. For a very good review of the classic debate on the concept of populism in Latin America, as defined by Germani and Di Tella, see Debert, G. Ideologia e Populism. 1979. For a more recent discussion on "populism in Latin America" see Dix, R. "Populism: Authoritarian and Democratic" in Latin American Research Review. 1985.

restrictions on foreign investment and on the repatriation of profits, deeper state participation in the economy and land reform. It was a period of mass demonstrations and strong wage demands.

Because of growing isolation from his traditional allies Goulart was increasingly dependent on labour for his ultimate support. However, the mobilisation of urban and rural workers further narrowed Goulart's support among other social groups and intensified the political polarisation. In particular, the so-called national bourgeoisie ended its support, as did sectors of the middle class, who were afraid of losing their privileged position.

The President's increasing dependence upon labour gave labour the possibility of developing some influence over government, but only within the strict confines of the corporatist system and the labour code. The CGT, for example, existed as a parallel central organisation outside the official union structure and was never legalised. The labour code remained intact and was never questioned by the CGT, which ended up being the result of an institutional arrangement between top union leaders and government. The rank and file, with its great focus on the shop-floor and day-to-day demands was left out of the picture, and grass-roots mobilisation and organisation was never achieved.

President Goulart was torn between encouraging further mobilisation of the masses - which would have forced him to adopt still more radical policies - and reasserting control over the mass movement and negotiating support from an

increasingly hostile Congress. A deep political and constitutional crisis built up, leading to paralysis of the government. The massive demonstrations promoted by the CGT in favour of basic reforms, the growing movement over agrarian reform and instances of rebellion in the Army ranks, sparked the right wing conspiracy which led to the military coup of 1964.

The military coup was only successful because there was support among key sectors of civil society and because the labour movement had no grass-roots base. The almost complete lack of labour movement resistance to the 1964 coup, despite mass demonstrations and an apparently strong labour organisation, can be explained by the type of union leadership during the years of populism. The "populist" political arrangement had been disconnected from the vast base of workers inside the factories, and there had been little linkage between the mass movements led by the populist union leaders and the union base itself. The leaders' isolation was further deepened by the non-involvement of workers from the modern sector, in the mass movements (Humphrey 1976:88).

Although the left-nationalist forces did challenge the traditional political arrangements in the country and labour leaders were able to foster mass demonstrations and strikes, this movement did not alter the organisational structure of labour but was based on the top-level bureaucratic politics of the corporatist model. The concept of the "collapse of populism" (Weffort 1978) in Brazil has brought out the limits

of populist politics in expanding citizenship rights and building workers' autonomous organisations (17).

### 3.2. Bureaucratic Unionism After 1964

With the military coup of 1964 all the repressive measures contained in the CLT since 1943 were used to their full extent (18). There were arrests, massive interventions in unions, cancellations of union registration and the removal of union leaders from office (19). During the most ruthless period of military rule, from 1969 to 1977, leaders were persecuted, tortured and even killed. Others were forced into underground life or exile. The repression was not

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17. Criticising past interpretations of "populism" Weffort has stressed the ambiguous character of populism. This allowed a theoretical break with the idea that it could only exist as the result of "irrational behaviour of the masses" in a "pre-political phase". According to Weffort, populism involves at one and same time manipulation and satisfaction of demands of the popular classes. Popular adherence to populism is thus seen as the result of some level of response by leaders to popular demands, usually in a setting of constrained citizenship power. For more on the discussion of populist politics see the classic study by Weffort, O Populismo na Política Brasileira. 1978.

18. For more details on the military coup and the successive military governments see Skidmore, T. The Politics of Military Rule in Brazil 1964-1985. 1988 and Guilherme dos Santos. Sessenta e Quatro: Anatomia da Crise. 1986.

19. According to Moreira Alves between 1964 and 1979 there were a total of 1.202 interventions in trade unions, 78 cases of legal removal from office, the cancellation of 31 different elections, and de-registration of 254 unions. If we consider, as a comparative figure taken from Albertino Rodrigues, that in 1962 there were 1.766 employees' unions in Brazil, it is possible to evaluate the extent of the repression. For more details see Moreira Alves, M. "Trade Unions in Brazil" in (Epstein, E. editor). Labour Autonomy and the State in Latin America. 1988 page 46. and Albertino Rodrigues. op. cit. 1968 page 124.

limited to the union movement but affected the whole of civil society. With the AI5 - the Institutional Act number 5 of December 1968 - the executive gained broad powers to suspend political rights and could legislate by decree without Congress. Civil liberties, including habeas corpus and the freedom of the press were restricted. Although the scale of repression cannot be compared to the Argentinean or Chilean "state terrorism", arrest, torture and disappearance of political opponents became a commonplace in Brazil during this period.

The military's economic plan for expanded industrialisation and rapid growth was based upon the direct presence of foreign capital and loans, and had as its crucial element, the increase of profit margins which had been reduced in the years of populist politics. The following years saw the introduction of a deeply exploitative system of capitalist production with the lowering of wages for manual and less skilled workers (20). The government lifted the existing regulations against workers' lay-offs and generally liberalised the regulations on working conditions and protection of workers' health (21).

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20. On the decline of purchasing power in the period 1964-1968 see Wells, J. "Distribuição de Rendimentos, Crescimento e a Estrutura de Demanda no Brasil na Década de 60" in (Tolipan and Tinneli editors) A Controversia Sobre Distribuição de Renda. 1975, page 193.

21. Between the middle of the 1960s and the 1970s Brazil was one of the top in any international comparison of industrial accident rates, in respect of loss of working days and in respect of numbers of fatal accidents. According to Lowy and Almeida for example, in 1969, 14.57% of employees suffered accidents; in 1970, 15.75%; in 1971, 17.61%; and in 1972, 19.36%. Lowy, M and Almeida, A. "Union Structure and Labour

Three basic policies were outlined in order to produce rapid economic development: 1) the creation of a unified wage policy by government, 2) the erection of further legal restrictions on strikes, and 3) the elimination of job stability and the creation of the FGTS (Time-in-Service Guarantee Fund) system.

A wage control policy was introduced in July 1964, at first only for public sector workers, but in the following year, it was extended to the private sector of the economy (Sandoval 1984:19). Wage increases were to be set by government according to a complicated "indexation" formula linked to the rate of inflation and to a national figure on productivity.

The problems with this formula were immense. The productivity figure, for example was worked out by government in a completely arbitrary fashion, while the consumer price index rarely reflected the actual level of inflation since it was set monthly by the government's statistics department. The consequence of artificial rates of productivity and manipulated indexes of past inflation was a deep erosion of wages, known as "arrocho salarial" (wage squeeze policy). According to some sources the wage squeeze period amounted to a fall in real average wages of at least 38 percent during

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Organisation in the Recent History of Brazil" in Latin American Perspectives. 1976 page 116. For more details o Brazil's bad record see Costa, N. et. al. "Diagnóstico das Condições de Trabalho e Saúde". Saúde e Trabalho no Brasil. 1982.



the period between 1960 and 1970 (22).

A new strike law (Law no. 4330) was introduced in May 1964, and eliminated the possibility of a legal strikes except when employers were behind in wage payments or were not respecting wage increases determined by law.

In December 1966 the government abolished the seniority provisions in the CLT which, ever since 1943 had offered two types of protection against dismissal. Workers with less than ten years of service with the same employer were entitled, in the event of dismissal, to indemnity payments equal to a month's wage per year of effective service. Workers with ten or more years in service had "stability" status, which in practice meant that they could not be fired without a prior court hearing.

With the introduction of the Fundo de Garantia por Tempo de Serviço or FGTS (Time-in-Service Guarantee Fund) these distinctions disappeared and employers could fire anyone without court approval. The economic disincentive against lay-offs also evaporated since the responsibility for indemnity payments was now shared with the worker. Under the new FGTS system, employers and workers were obliged to make a monthly deposit in a fund - the FGTS - based on eight per cent of the wages, in individual accounts under the worker's name. This law affected national and local labour markets very deeply, producing high rates of labour turnover in some sectors and operating as an additional element in the "wage

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22. DIEESE calculations quoted in Lowy and Almeida estimated that the minimum wage fell as least 43% over the same period. See Lowy and Almeida, op. cit. 1976 page 101.

squeeze policy". This was so because groups of workers were fired only to be later readmitted at a lower wage.

The government's setting of wage increases and the anti-strike law curtailed the unions bargaining power and their potential for mobilising their members. The FGTS also affected union politics significantly because of the threat of dismissal felt by workers. In fact, one of the objectives of the new policy had precisely been to create a demobilised, non-political union movement (23). With these measures, unions were to become much more institutions for providing social services than arenas for collective action.

After the interventions in many unions and the arrests of union leaders which immediately followed the coup, direct repression was slowly replaced by indirect coercion. "Selective interventions" in politically important unions and continual vigilance on all union affairs by the Ministry of Labour, maintained union activity within the narrow goals allowed by government. Eventually unions were allowed to elect new executives and to return to some form of "normality", but within a system described as "bureaucratic-welfare" unionism (24). The concept alludes to the fact that since unions were completely under the control of an authoritarian and repressive government, the union's main

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23. On the attempt by the military government to create "nonpolitical unions" see Cheibub Figueiredo, A. "Intervenções Sindicais e o "Novo Sindicalismo" in Dados. Revista de Ciências Sociais. Number 17. 1978 pages 136-145.

24. On bureaucratic union leaders see also De Souza Martins, M. O Estado e a Burocratização do Sindicato no Brasil, especially part two on "union leaders and bureaucracy". 1979.

role became one of provider of welfare services while militancy and activism were played down.

It should be pointed out that it would be an oversimplification to define all union leaders in this period as "pelegos" (25). The fact is, however, that given the institutional constraints and the general political repression, even if more "genuine" and committed union leaders were able to emerge and be elected to union executives, the widespread and enforced political demobilisation hindered any attempt to change the system in place.

#### 4. The Resurgence of the Labour Movement

##### 4.1. The 1967-1968 Strikes

In 1967, still under the "first phase" of military rule, there was some talk of liberalising the regime. As the impact of the deterioration of wages was felt by workers, they started to put pressure on their labour leaders to protest against the "wage squeeze policy". An Inter-Union Anti Wage Freeze Movement (Movimento Intersindical Anti-Arrocho - MIA) was created, grouping unions from Sao Paulo, Rio de Janeiro, Minas Gerais and Rio Grande do Sul. The leaders of these

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25. The word pelego literally means the sheep skin blanket placed between the saddle and the horse to ease the burden of the rider on the horse. It is used as a derogatory term to describe union leaders who cooperate with the Ministry of Labour and further their own interests at the expense of the union membership. In Mericle, K. op. cit. page 325.

unions were all of a bureaucratic orientation, and organised the movement along the same lines as the parallel organisations of the populist period, thus posing no real threat to government. Workers turned up en masse at assemblies designed to collect signatures for a petition to the government, and these developed into protest actions against the government's labour policies since 1964. However, the movement did not produce any real results and labour experienced a period of declining militancy and activism for many years.

The first unexpected labour upheaval came in 1967-1968 when two major strikes broke out at Contagem and Osasco. The Contagem metalworkers' strike in Minas Gerais started as a wildcat action in April 1968 in protest against the government's wage policy and the worsening situation in their industrial area. It began at the Belgo-Mineira steel plant but eventually involved 15,000 workers from other plants. The Osasco strikes involved many companies and around six thousand workers. These strikes met with a strong response from the government, which used its full powers under the Labour Code. Within twenty-four hours the strikes were declared illegal by the labour courts, and the Ministry of Labour intervened in the unions over the next few days to displace the combative leadership. Many strikers were arrested and the whole movement of "Union Opposition" was dismantled.

This resurgence of a labour movement was based on the new generation of leaders situated to the left of the

Brazilian Communist Party (PCB), neither similar to the former populist union leadership nor identified with the new "pelego" union bosses associated with the military regime. Lowy and Almeida (1976:108) have called attention to the particular character of the leadership and the type of organisation of the Osasco and Contagem strikes of 1968.

These new worker/activists, whether linked to political organisations or of an independent orientation, sought to group together discontented workers around the formation of "labour oppositions". These oppositions were initially under Brazilian Communist Party influence, despite the great internal struggle in the Party. But the Communist Party's influence diminished as other left wing groups emerged with a negative evaluation of the PCB's role in the reform struggles prior to 1964.

The union renewal movement began to threaten the union bureaucracy as well as the political regime. Although it did not succeed in modifying the wage-freeze law, which continued to erode the real value of workers' wages, it demonstrated the possibility of some form of resistance during such authoritarian times.

After the crackdown against the two strikes, followed by repression against the leaders of the "union opposition" and the issuing of the AI-5 in 1968, public labour opposition and mass protests remained silenced until the rebirth of militant unionism in 1978.

#### 4.2. The "New Unionist" Movement in Brazil

The first important public wave of labour opposition started in 1977 with the "Wage Recovery Campaign" (Campanha de Reposicao Salarial). This movement grew out of the publication in the daily Folha de São Paulo of a secret report written by the World Bank on the economic policy of the Brazilian government. This report explicitly questioning the validity of official statistics on inflation, especially from 1973 onwards (Rainho and Bargas 1983:39) - doubts that would later be confirmed by the institution responsible for government figures, the Fundacao Getulio Vargas.

Since the wage policy inaugurated by the government in 1964 was based on an inflation-linked formula, this was a highly explosive revelation. According to a DIEESE study, the worst years of manipulation had been 1973 and 1974, when losses from uncorrected inflation had totalled 34% (Rainho and Bargas 1983:40).

With this figure in hand, the Sao Bernardo Metalworkers' Union and other unions in the ABC region launched the "Wage Recovery Campaign", or the "Campaign for the 34%" as it was also known, bringing national attention to the labour movement after almost ten years of silence (26). The

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26. The city of São Paulo and the surrounding municipios or city suburbs constitute the industrial heart of Brazil. There can be found the highest concentration of industries in the dynamic sector led by multinational corporations, especially those connected with the automobile industry. By the end of the 1970s, São Paulo had about 400,000 metalworkers and the so-called ABC region of Santo André, São Bernardo do Campo e São Caetano had respectively 47,000, 133,000, and 25,000. Alvaro Moises, J. "What is the Strategy of the "New

campaign, which mobilised tens of thousands of workers in rallies, showed to a new generation that unions were more than a dispenser of social services and that new leaders supported their rank and files' demands for wage recovery.

For the first time in almost ten years, organised mass opposition to authoritarian rule thus expanded beyond the intellectual and political elites who constituted the opposition at that time. The national political conjuncture cannot be left aside in understanding this process, since as noted by Keck (1989:266), the process of liberalisation opened up opportunities for labour movement action which had been absent before.

The liberalisation process, the so-called "abertura política", started in Brazil under the Geisel administration and continued in 1979 with President Figueiredo. In this political setting, three major institutional changes had come about, namely: 1) the end of Institutional Act Number 5; 2) the granting of amnesty to political prisoners and 3) the "political party reform" which spelt an end to the old two party system and allowed for new arenas of representation of civil society (27).

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Syndicalism?" in Latin American Perspectives. 1982 page 57.

27. For a very good discussion on the process of liberalisation and democratisation in Brasil see Cruz, S. and Martins, C. "De Castelo a Figueiredo: uma incursao na pre-historia da abertura" in (Cruz et. al. editors) Sociedade e Política no Brasil Pos 1964. 1983. and the collection of essays organised by Selcher, W. A Abertura Política no Brasil. Dinâmica, Dilemas e Perspectivas. 1988. For a debate on the problems of furthering the democratic process, see the collection of essays edited by Stepan, A. Democratising Brazil. 1989.

The chronology of the 1978 and 1979 strikes which initiated the re-birth of union mobilisation has been extensively covered in the literature (28). But it is important to stress that what originated as a strike in the Saab-Scania plant soon spread to other companies in the area and gained national prominence because of the strategic importance of the metalworkers of the state of São Paulo and because of the novelty of the tactics and demands of the movement. The movement was strongly based on shop-floor organisation and gave birth to what later came to be known as the Brazilian "new unionist" movement. By 1979 more than 3,000,000 had crossed their arms in 430 strike actions in fifteen different states (29).

In some cases the eruption of strikes occurred despite the opposition of bureaucratic union leaders. In other cases "Union Opposition Groups" had emerged in the factories to make opposition to the bureaucratic leadership. In this process a group of new and combative leaders gained public recognition: people such as Luiz Inacio da Silva, Lula - who

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28. See for example: Antunes, R. A Rebeldia do Trabalho. 1988; Humphrey, J., Chapters 6 and 7 in Capitalist Control and Workers Struggle in the Brazilian Auto Industry. 1982; Keck, M., "The New Unionism in the Brazilian Transition" in Democratizing Brazil. Problems of Transition and Consolidation. 1989; Maroni, A., A Estratégia da Recusa. Análise das Greves de Maio de 1978. 1982; Moreira Alves, M., "Trade Unions in Brazil: A Search for Autonomy and Organization" in Labor and Autonomy in the State in Latin America and Rainho, L. and Bargas, O. As Lutas Operárias e Sindicais dos Metalúrgicos em São Bernardo. 1983 among others.

29. These data are cited in Moreira Alves, who adds that it was produced by DIEESE based on the number of workers in each union that was on strike. Moreira Alves, M. op. cit. 1988 page 53.



was one of the leaders of the Metalworkers' Union of São Bernardo - gained national and international prominence, working as the spokesperson and mediators of the class as a whole (30).

The majority of strikes concentrated on wage demands and were sparked off by the "campaign for the 34%". But other strikes, such as that of the metalworkers in the ABC region, went beyond wage demands and challenged aspects of union legislation, union representation and regulation of employment conditions.

The Metalworkers' Union of São Bernardo, for example, demanded: a) the right to strike and direct negotiation between workers and employers; b) legal representation of workers at shop-floor level and c) job security protection. In contrast to the former pattern of short strikes in single plants, the metalworkers of the ABC region inaugurated a pattern of large-scale strikes with vast assemblies in public places, mobilising up to 100,000 workers. They would gather daily for discussions, to make collective decisions in open voting.

During the first strikes, in 1978, government and managers were taken completely by surprise. The government

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30. Together with Lula, who was a union leader since 1975, a whole new group of leaders emerged in this period: people like Olivio Dutra in the south and Joao Vasconcelos in Minas Gerais, among others. They formed an informal national negotiation committee which would sometimes have to mediate between an active rank and file and pelego union leaders. For a view of the positions held by Lula during the birth of "new unionism" see Morel, M. Lula o Metalúrgico. Anatomia de uma Liderança. 1981; and Dantas Junior, A. Lula sem Censura, edited by Dantas Junior, A. 1981.

did not intervene or resort to direct repression until the following year. In 1979, during the second wave of mobilisation in São Bernardo, the Regional Labour Court declared the strikes illegal and the government reacted with severe repression and intervened directly in the local metalworkers unions in São Bernardo do Campo, Santo Andre and São Caetano. The labour movement was so strong during this period, however, that it was able to demand and obtain the return of its leaders to the unions. The 1980 strikes met with even stronger repression from the government. In São Paulo a worker was shot dead and many were injured in open street clashes with the police. São Bernardo was occupied by troops, the unions were subject to intervention and the leaders jailed. Union leaders lost their posts and were charged with violations of the National Security Law for having led an illegal strike.

Although in many political and academic circles the birth of "new unionism" was greeted as a surprising and unexpected mass movement, the roots actually lay in an opposition movement that has been developing before 1978. The problem with certain academic analyses, was that they did not look into less institutional forms of labour resistance and organisation. The author who most stresses this point is Moreira Alves (1989), who shows that although the "new trade union movement" first erupted with the strikes of 1978, it was the result of a long process of workers' resistance inside production plants. This resistance involved creative tactics so as not to allow management the time to respond

with repressive measures or to request intervention from the state through the labour courts (31). This point is also stressed by Humphrey (1976, 1980, 1982) and Tavares de Almeida (1975), who have shown how the Metalworkers' Union of São Bernardo was active, in terms of strikes and demands, a long time before 1978 (32).

The 1978 and 1979 strikes gave great impetus to initially small union opposition groups who were critical of the bureaucratic type of unionism prevalent in the country at the time. This movement slowly developed into formal and visible "union opposition" groups which fought bureaucratic officials in internal elections. This group of new and combative activists, who usually emerged from the shop-floor, were called autenticos or "the authentic" leaders, as opposed to the pelego leaders who were in office under the thumb of military rule.

Although the "new unionist" movement organised within the existing corporatist union structure, it sharply differed from the populist union movement as it questioned and sought to change this structure. The new movement had a distinctive discourse and a distinctive set of goals that had not been

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31. Among the different tactics used by the workers were for example, "operation turtle" which is a slow down in production, "pop-corn strikes" in which different sectors of the assembly line are stopped at different times, "operation light-bulb" in which there are quick stoppages throughout the entire factory, "silence operations" where workers cross their arms in silence for a short while and "operation sabotage" where parts of the product are left out or quality control procedures stop being practised. For more details see Moreira Alves, M. op. cit. 1988a page 51.

32. On workers mobilisation in the ABC region before 1979 see also Frederico, C. A Vanguarda Operária. 1979.

seen before in the Brazilian labour movement. These goals, which were disclosed at a number of informal and formal meetings and conferences, included union autonomy from the state, the right to strike, the right of direct negotiations with management, and direct union representation on the shop-floor (Keck 1989:261).

This movement completely changed the role of organised labour in Brasil. The question which remains to be answered in this chapter is why the movement was born among the metalworkers of the ABC region and not among other unions or categorias of workers? Although the spatial concentration of industries is an important sociological variable, organisational and political factors seem better to explain the birth of the movement.

The Metalworkers' Union of São Bernardo do Campo had been in conflict with motor industry employers during most of the 1970s. According to Humphrey (1980:25), there had been small stoppages in 1973 and 1974 as well as an increase, during these years, in the participation of the union in factory problems and attempts to recover losses resulting from the wage freeze.

In terms of leadership politics, whereas many of the Brazilian unions in the years before 1978 had been "occupied" by pro-military representatives, or by bureaucratic leaders with little interest in militant actions, the Metalworkers' Union of São Bernardo had been led since 1969/1970 by a "union opposition" group, which according to many authors, was much inspired by the North American type of economic

trade unionism. In 1975 Lula was elected president of the union, and together with a group of workers, started to implement a direct and demanding approach during wage-campaign periods. This group had an agenda of demands which included legal representation of the union on the shop-floor and stability for the union representative (Tavares de Almeida 1975:72). Furthermore this new leadership sought to expand its union base: in the period between 1977 and 1978, for example, union membership in the most important plants in Sao Bernardo had grown by 20% to 25% (33).

An important debate in academic circles on the origins and political implications of the "new unionist" movement. The central point of the debate was the competing interpretations on the increasing heterogeneity and differentiation in the working-class in Brasil, between workers in the dynamic sector and those in the traditional sector. In one view, expanded differentiation had led to major divisions within the working-class: workers in the dynamic sector of the economy constituted an "aristocracy of labour" with independent interests from those of the rest of the working-class. In another view, although the heterogeneity was acknowledged, workers from the dynamic sector constituted a "workers' vanguard" expressing and directing a unified set of demands.

The first view can be located, although not exclusively,

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33. According to Humphrey for example, between 1977 and 1978 union membership had grown 20% at Chrysler, 25% at Ford, 16% at Mercedes and around 10% at Volks. See Humphrey, J. "As Raizes e os Desafios do "Novo" Sindicalismo da Indústria Automobilitica" in Estudos Cebrap. 1980 page 26.

in the works of Tavares de Almeida, who saw the labour movement in Sao Bernardo in 1978 as a "labour aristocracy" of privileged skilled workers seeking to gain even greater benefits from their protected position in the labour market. For this author, the expansion of a modern and dynamic sector in Brazil had created a group of highly skilled, with higher wages, better working conditions and job stability, whose exclusive and independent struggles were only designed to expand their own advantages, creating an even greater divide among the Brazilian working-class. As for their "militancy" in questioning the nature of the corporatist order, Tavares de Almeida argued that the labour laws, born in the 1940s, had become inefficient in relation to the demands of workers in modern industry. This analysis seemed to be confirmed, it was argued, by the fact that workers from the modern sector had participated only marginally during the political upsurges of the Goulart years, and had had access to higher living standard in the so-called "miracle years" when compared with other workers.

Humphrey's work (1980, 1982), based on empirical research in the automobile industry in Brazil, offers an alternative to the "aristocracy of labour" interpretation and to its basic assumptions about the structural characteristics of the industry and the supposedly divisive ideology of workers in the dynamic sector.

Although recognising the importance of the differentiation between modern and traditional sectors in Brazil, the author suggested that this had been over-

emphasised in the literature, and was able to reject the idea of a divided working-class. Humphrey (1980:13) questioned the proposition that high skills and high wages predominated in the automobile industry and that workers enjoyed a tight internal labour market. Not only were the workers not satisfied, but they proved capable of leading the movement against the wage freeze. High turnover rates and restrictive wage policies prevented the isolation of the auto-workers from the rest of the working-class. The improvements in wages and working conditions won by the modern sector would become an example to workers in the traditional sector rather than a basis for ideological division. In this "vanguard role", workers could take advantage of a favourable conjuncture - the political liberalisation project - to struggle against the constraints imposed by the Labour Code and the Ministry of Labour (Humphrey 1982:231).

Although the wave of strikes in 1980 ended with a crackdown on unions and their leadership, the labour movement had changed in three years in significant ways. A new form of activism had been born and oppositions had won office in several of the most important unions in the country, especially the metalworkers, chemicals and bank workers. In other unions, traditional leaders were obliged to respond to rank and file demands for more representative organisations as well as having to present management with more combative sets of demands. The spread of "new unionism" to other industries and regions of the country proved how the labour aristocracy hypothesis was wrong.

## 5. Developments After 1978

### 5.1. The Political Splits Among Organised Labour

The characteristic pattern in Brazilian unionism of low-level organisation of the rank and file and low militancy on the shop-floor changed significantly after the developments of 1978. There was a much higher level of union organisation on the shop-floor and some firms accepted the demand to have shop stewards/factory committees. The Ford and Volkswagen factory commissions in Sao Bernardo are an illustration of this process (34). Nevertheless, the strong repressive response from government together with the economic recession of the early 1980s, shifted the focus of labour activity from large-scale strikes to the building up of organisational strength. In spite of a 1978 amendment to the Labour Code rendering central labour organisations illegal, the labour movement as a whole operated through forms of horizontal affiliation. In August 1981, the first call was made for inter-union organisation and resulted in the "First National

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34. The first commission of workers' representatives was set up in 1980 at Volkswagen. Its original format was later renegotiated between workers and management in 1982. For more details see Tavares de Almeida, M. "Novas Demandas, Novos Direitos" in Dados. 1983 page 273. On factory committees see also Silva, E. Chapter Eight, Labour and Technology in the Car Industry, Ford Strategy in Britain and Brazil. 1988.



Conference of the Working Class" - CONCLAT (35). At this point in time the two major conflicting union groups - the "authentic group" and the "unidade sindical" group - were together around a project for a single "workers' central". This unity however broke down in July 1983, when the Central Única dos Trabalhadores - CUT was officially founded by Lula and other union leaders from the "authentic" movement. One month later the "unidade sindical group" held a separate congress and founded a competing central: National Coordination of the Working Class (Coordenação Nacional da Classe Trabalhadora - CONCLAT).

The basic divergence between these two groups had to do with competing conceptions of trade union organisation after the 1978 period and the conjunctural analysis of the "liberalisation" period in the country. For the "authentic" and union opposition leaders, the new unions as well as the Workers' Central should be de-centralised in terms of organisational structure and be run in the form of a collegiate so that the rank and file could directly participate in decisions.

The second group, called the "unidade sindical", was more conservative view of possible changes in the union structure. Although not all union leaders in this group came from an older generation of former bureaucratic leaders, some

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35. Over 5,000 delegates attended representing 1,092 unions or associations from all over the country. For more details see Keck, M., op. cit. page 58.

might well be characterised as "continuity with a new face" (36). According to this group, the positions advanced by the "authentic" leadership, openly challenged the wishes of the military and might serve as a pretext for hardliner officers to undermine the policy of liberalisation of the regime. The "unidade sindical" proposed that a social pact should be negotiated between labour and government, with the aim of guaranteeing a peaceful transition to democratic rule in Brazil.

The CONCLAT did not emphasise rank and file participation, so its deliberative congresses did not include representation from the base. It included many of the existing official unions and lacked a confederal structure of representation in most states (Keck 1989:60). In 1986, CONCLAT changed its name to General Workers Confederation (Central Geral dos Trabalhadores - CGT).

The diverging conceptions of the CUT and CGT about the future of the union movement were at the forefront of another split, one of different political party positions, which broke out around the question of political parties. The political party reform of 1978, ending the two-party system which had dominated the country since 1964, allowed civil

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36. This situation is well illustrated by the case of Joaquim dos Santos de Andrade, who was the director of the Metalworkers Union of São Paulo, the largest blue-collar union in Latin America. He was a highly controversial figure because he had originally been a state "intervener" in the union. However, he was re-elected many times and managed to "modernise" his policies and stay as head of the Union long after the birth of "new unionism".

society considerable freedom to express its divergent political interests. The creation of the Workers Party, was an attempt to cater for the specificity of workers' demands in the transition to democracy and at the same time to change the traditional representation of the working-class in political parties (37). Important union leaders of the country who were directly involved in the process of the "new trade union movement" were also involved in the process of building the Party. Luiz Inacio da Silva for example, the one-time director of the Metalworkers Union of São Bernardo, became the Workers; Party president in 1980. In spite of the overlap in personnel between union movement and party politics, the Party defended the idea that these two spheres should be kept separate - ie, that the positions defended by the labour movement should not be determined by the Party's politics.

Besides the predominant influence of the PT in CUT, this confederation was also under the influence of progressive sectors of the Catholic Church and, to a lesser extent, of political groups such as socialists, Trotskyists and other left wing groups of Marxist-Leninist inspiration. The Democratic Labour Party of Leonel Brizola, the PDT, was also linked to this Confederation. In a later development, sectors of the PC do B (Communist Party of Brazil) changed sides and

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37. On the creation of the Workers' Party - PT, see Sader, E. "The Workers Party in Brazil" in New Left Review. 1987 and Lowy, M. "A New Type of Party. The Brazilian PT" in Latin American Perspectives. 1987.

affiliated to the CUT (38).

The CGT in its turn, was linked with the PCB and with centre and right of centre parties, namely the PMDB (Party of the Brazilian Democratic Movement) and the PFL (Party of the Liberal Front), who were then negotiating the election of a civilian president in Brazil.

The country's economic situation from 1980 onwards became grimmer every year and a recession started to grip the country. Growing inflation and the burden of the debt crisis delivered even harder blows to workers. After the changes to the wage law in 1979, workers continued to be hit by changes in the wage policy almost every year from then on (39). The IMF's prescription for the debt crisis, which by this time had the country's debt running at \$90 billion dollars, was very austere. By 1983 inflation was above 130% per year and unemployment was estimated at between 15% and 20% (Keck 1984:30) (40). By 1983, although the structural nature of

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38. The Communist Party of Brazil (PC do B) was founded in the 1960s as the result of a split with the Brazilian Communist Party, the PCB founded in 1922 and whose secretary general, for many years, was Luiz Carlos Prestes. While the latter followed a "Soviet Union" line for its policies, the PC do B followed the political direction from Beijing.

39. After the new wage policy of November 1979, there has been many other changes in the law in December 1980, January 1983, May 1983, October 1984, and August 1985. Basically the changes in all these decree-laws referred to the percentage to be applied over the consumer index prices, to different groups of wages. These groups are defined in terms of the minimum wage: from 1 to 3 minimum wages; from 3 to 10 minimum, from 10 to 15, from 15 to 20, and over 20. Source: DIEESE - Decretos e Leis da Política Salarial do Governo desde 1979. Sao Paulo 1985.

40. Wages already being squeezed by inflation, were further compressed by the decree-law 2065 of 1983. Wage law, the increases were now limited to 100 percent of the rise in the

recession and unemployment weakened the capacity of the unions to organise and mobilise, there had been a qualitative change in the industrial relations scenario in the country. Opposition groups had won in many unions and the two workers confederations, CUT and CGT, had been officially legalised by government. In July 1983 the labour movement responded to the government's wage policy with its first general strike since 1964, which paralysed much of industrial and commercial São Paulo and had a scattered but significant impact in industrial centres in other states.

On the whole, the less favourable economic conjuncture and the legal obstacles to significant wage increases made the labour movement turn its attention to other types of demands, such as in-plant job security provisions, recognition of shop-floor union representation, and demands over the frequency of wage adjustments. As stressed by Keck (1989:268), the direct bargaining strategy and the greater emphasis on shop-floor issues during these years paid-off. By the time the "New Republic" government was inaugurated, labour had greatly expanded its organisational capacity.

The term "New Republic" refers to the first presidential transition with a civilian leader and the closing of the military cycle after 1964 (41). José Sarney (1985-1990)

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cost of living as calculated by government indexes, which was significantly below the real figure for most workers. See Keck, M. "Update on the Brazilian Labour Movement" in Latin American Perspectives. 1984 page 30.

41. In spite of mass demonstrations in the country in favour of direct elections for president, the transition to civilian rule was the result of an arrangement between political elites over an electoral college. In November 1985, as a

became the first civilian president and appointed Almir Pazzianoto as Minister of Labour, as an attempt to gain labour's support. Pazzionoto had for many years been working as a lawyer in Sao Paulo for militant trade unions.

Towards the end of 1985 the country's economy continued to worsen, and the purchasing power of the minimum wage had declined by almost half (DIEESE 1990). In 1986 a macro-economic plan, called the Cruzado Plan, froze wages and prices overnight in an attempt to halt inflationary expectations (42). Although minimum wage earners received an eight percent bonus, the majority had their wages frozen at the average level of the previous six months, while prices were frozen from the day before the plan (43). When price controls were lifted after the November 1986 elections, inflation once again went out of control and started to eat away real wage values.

During the Cruzado Plan the government sought to establish a social pact with workers, since union opposition to the implementation of a wage freeze would render it a

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result of negotiations between the military backed PDS and the other parties, the first civilian president after 1964 was elected. The electoral college elected Tancredo Neves who was from the centre right of the PMDB and died before assuming office. Jose Sarney, who was originally from the party in power - PDS - was selected in order to balance the ticket, was next in line and assumed office on April 1985. See Skidmore, T. op. cit. 1988, and Lamounier, B. 1989.

42. For a good review of the Cruzado Plan, see Flynn, P. "Brazil: the politics of the Cruzado Plan" in Third World Quarterly. 1986.

43. Although an "automatic trigger" for wages was provided, it could not match the inflation of between 22.5 and 24 percent per month. For more details see Moreira Alves op. cit. 1986 page 65.

failure. Some changes in labour legislation were put forward in an attempt to demonstrate good will on the part of the government (44). Although the workers' confederations, CUT and CGT, agreed at different times to discuss basic issues with government, the talks broke down and no agreement was reached (45). During Sarneys' government (1985-1990) there were four different macro-economic "stabilisation programmes" to halt galloping inflation they were 1) the "Cruzado Plan" of February 1986; 2) the "Cruzado II" of August 1986; 3) the "Bresser Plan" of June 1987; and 4) the "Summer Plan" of January 1989. As we can see from Table 2.1, the plans failed in the long term to control inflation, and high inflation rates have tended to become chronic in the economy, and even to reach the dimensions of hyper inflation.

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44. As Minister of Labour, Almir Pazzianotto declared an amnesty for all trade unionists who had been removed from their posts by previous governments, and cancelled a 1978 amendment to the labour code which rendered central union organisations illegal. Besides these two formal clauses, the conjuncture allowed for two basic "accomplishments of omission" to use Keck's (1989:252) term. These were: 1) the easing of repression against strikes and 2) a refusal by the Ministry of Labour to intervene in striking unions in spite of the considerable pressure from conservative ranks to do so.

45. For more details on the negotiations over a social pact see Roxborough, I. "Organized Labour: A Major Victim of the Debt Crisis" in Debt and Democracy in Latin America. Stallings and Kaufman editors. 1989, page 96.

Table 2.1

## Inflation Rates in Brazil, 1980-1989

Year	Annual Inflation Rates (end of year, by %)
1980	110.2
1981	95.2
1982	99.7
1983	211.0
1984	223.8
1985	235.1
1986	65.0
1987	415.8
1988	1,037.5
1989	1,091.3

Source: Que Brasil é Este. Manual de Indicadores Políticos e Sociais. Guilherme dos Santos et al. São Paulo: Verice/IUPERJ. 1990 pages 40-41.



On the whole, relations between organised labour and Sarney's government were extremely conflictual. Despite the government's repeated attempts to reach some sort of social pact, none was ever formally established. Government not only wished for political support but also hoped that labour would play down strikes and claims for wage readjustments or wage recovery. These attempts to co-opt labour accentuated the political differences between the CUT and CGT vis-a-vis Sarney's government. At one time they would try to negotiate, at another, they would declare fierce opposition.

The differences which had resulted in the CUT-CGT split also developed among members of the CGT, which itself split in two in 1988 at its Second Congress (46). A new president was to be elected to replace - Joaquim dos Santos Andrade, but there was a conflict between competing factions that ended in split. Joaquim dos Santos became the president of the General Workers' Confederation (Central Geral dos Trabalhadores - CGT) and Antonio Magri became president of the General Confederation of Workers (Confederação Geral dos Trabalhadores - CGT) (47).

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46. According to a source, CUT represented in 1989 over 1,400 unions and workers' associations and over 18 million workers. The size of the two CGTs, is a matter of dispute. It is thought that they represented in 1989 between 900 and 1,500 unions and around 20 million workers. Source: Folha de São Paulo, November 24 1989.

47. A right wing central called Independent Syndical Union (Uniao Sindical Independente - USI) has also attempted to organise. It defended in full the labour code and the straight ties between labour and the state. It gained little support in the labour movement and has been marginalised in the overall political scene. The USI has claimed to represent

Despite the government's moves to limit labour mobilisation, two other attempts were made to launch general strikes in response to the inflationary growth and a further compression in wages. These initiatives, in December 1986 and August 1987, failed to mobilise the majority of workers but there were sectoral stoppages, particularly in the public administrative sector involving civil servants and primary teachers among others, which had been silent in the major events of 1978 (48). This new trend among public sector employees in 1987 was interpreted as a definite sign that the "new unionist" movement was not limited to workers from the dynamic sectors of the economy (49). As it is possible to observe in Table 2.2, workers from state-owned productive companies had engaged in strikes since 1983 and became increasingly more militant over the years.

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1,000 unions and 14 million workers. However, since they are mainly organised in the hotel and other service unions, with very little militant participation, the size of this confederation's base should be evaluated with great care. Moreover, the USI did not develop into an alternative voice of sectors of organised labour even for the government. Source: Folha de São Paulo, November 24 1989.

48. The extent of the strike wave can be seen more clearly if it is compared with 1979, when the labour movement re-emerged. In 1979 for example there were a total of 430 strikes with 3,271,500 strikers, in 1986 there were 993 strikes with 5,747,193 and in 1987 there were 1,122 strikes and 9,010,383 strikers. These data are cited from a Compilation of DIEESE in Moreira Alves, op. cit. 1989 pages 53 and 67.

49. See on this debate, "Brasil 1987: Relatório Sobre a Situação Social do País". Núcleo de Estudos de Políticas Públicas, UNICAMP, Campinas. 1989 pages 119-123.

Table 2.2

## Strike Activity in State-Owned Productive Companies. 1983-1990\*

Year	Number of State-Owned Productive Companies Involved in Strike Activity
1983	3
1984	8
1985	19
1986	71
1987	89
1988	81
1989	124
1990	73

Source: Compilation produced by the DIEESE office in Rio de Janeiro, based on Boletins do DIEESE. 1983-1990.

\* As far as I know, the first data compiled on the strike activity of workers from the state-owned productive companies was produced by DIEESE in 1991. This compilation was the result of my request to de-construct what had previously appeared in their statistics as "strikes" among state-sector employees, with no differentiation between the productive and administrative sectors. According to DIEESE advisers, the first-ever record of strike activity in state productive companies was in 1983. This was explained as the direct result of the more rigorous anti-strike law for state-sector employees and the additional status of "national security" in many state-owned companies.

As I will argue in Chapter 3, their general alliance with private sector workers can be explained by the gradual elimination of their special status and the creation of a common identity with other categories of workers.

The two competing views within the labour movement in the 1980s have been seen as a dispute between CUT's "classist unionism" (sindicalismo classista) and the two CGT's "unionism of results" (sindicalismo de resultados). For the first, unions are an instrument for workers to fight against capitalist exploitation, as well as for better wages and working conditions within the capitalist system. "Classist unionism", then, tries to obtain concrete and immediate results for workers, but also believes that unions in Brazil must also question the systems of control inside the factory and distribution of wealth in the country as a whole (Mercadante Oliva 1987:6).

Advocates of the so-called "unionism of results" on the other hand, believe that unions should not be engaged in contesting the capitalist system but should remain pragmatic and unaligned to party affiliations. The leaders of both CGTs prioritise immediate economic gains over more political and ideological questions and believe that there should be a complete separation between these spheres. Social issues should be left to the social movements at large and political issues to the political parties.

From a critical point of view, it is quite clear that

although there are real and significant political differences between these two types of unionism, other distinctions are much more rhetorical. To say for example, as the CGT leaders do, that they favour a type of unionism of "results" is almost a tautology, since every union must "deliver" some sort of goods to its members. It is important to understand the context in which these positions became politicised. The rhetoric of the "unionism of results" was born out of the "unidade sindical" group, which questioned the general situation of the unions after 1986, when CUT's advocacy of a radical and direct clash with government had resulted in small concrete advances for workers.

These two different points of view within organised labour have produced many bitter disputes which sometimes find their way onto the shop-floor. The debates have continued into the 1990s, and were to a certain extent accentuated when members of the "unionism of results" were called to participate directly in President Collar's new government. This not only undermined the CGT's rhetoric about the need to separate unionism and politics, but consolidated an almost irreparable split between the "unionism of results" and "classist unionism".

## 5.2. The New Constitution of 1988

It might be accurate to say that the first significant changes in the labour code since its creation in 1943

occurred in the drafting up a new Brazilian Constitution in 1988 (50). In this process the interests of the labour movement were centred, among other issues, upon the assertion of some form of job security, broader rights to strike, the right to shop-floor representation and some form of autonomy from the state.

As it turned out, job security together and the length of the presidential term became the most divisive issues in the Constituent Assembly between labour and capital. The job security proposal was defeated and replaced with an increase in FGTS benefits. Workers acquired some rights which included the reduction of the working week from 48 to 44 hours; provisions for shop-floor representation; the right of unionisation among public employees and a general right to strike, subject to later regulation by ordinary legislation (51).

The CLT, the basic labour code, was revised in all the clauses which conflicted with the dispositions of the new Constitution. Two major axes of the former labour system, - the monopoly of representation and the union tax - remained

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50. Although it was an aspiration of civil society since the beginning of the 1970's, the Constituent Assembly was only set up in February 1987. The constituents were 559 parliamentary representatives, of which 487 were federal deputies and 72 senators, 23 of them elected in 1982. The remaining MPs were elected in November 1986. The conclusion of the constituent's work and the promulgation of a new Constitutional text occurred in October 5 1988.

51. For two comprehensive analyses of workers' rights and labour laws in relation to the new Constitution, see n/a "A Nova Constituicao Sindical" in Debate Sindical. DESEP - CUT, No. 9, October 1988 and Passos, E. "Os Direitos Sindicais na Nova Constituicao" in Cadernos da CUT. January 1989.

in the new Constitution, mainly as the result of the wishes of leaders of the labour movement.

Although the labour movement has asserted "the right of union organisation", independently of state recognition, this right is limited by the veto over the existence of more than one union representing a categoria in a common municipal area. The Constitution therefore consolidates the unions already in existence and leaves the creation of new unions, federations and confederations either to the acceptance of the groups involved in the creation of these institutions, or to the discretion of a judicial decision in the Labour Court. As for the union tax, the part originally destined for the Ministry of Labour will now remain in the hands of unions.

In maintaining these two principles, labour movement argued that complete freedom of association and elimination of the union tax would only weaken the union's organisational strength and eliminate their important welfare functions, and that the eventual outcome is an indispensable condition for the establishment of a relative equilibrium of power between capital and labour (52). The new Constitution has eliminated the Ministry of Labour's powers to authorise the

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52. Although CUT and CGT strongly differ over many aspects of the new Constitution, the labour movement has been united over exclusive representation and the union tax. For more details on the competing visions between CUT and CONCLAT, see Martins Rodrigues, *L. op. cit.* 1981 page 33.

Some labour leaders argued that if complete pluralism at that point in time would have left, only the very strong unions with a chance of survival. As for the union tax the Ministry of Labour estimated that only 500 of the 4,500 unions then existing in Brazil would be able to survive its abolition of this tax. For details see Roxborough, *I. op. cit.* page 93.

founding of unions, to inspect their administration, to suspend or eliminate union leadership's posts and to eradicate unions by withdrawing former recognition. Thus, unions now have much greater power over their destinies. The union assembly was assigned sovereign power to approve a union's statutes, to deliberate on internal organisation, financial life, union elections and any dismissal of leaders from top executive posts.

Although the figure of an "arbitrator" was introduced, the Ministry of Labour has maintained its power to judge individual and collective disputes between labour and capital.

If one compares the present situation with the 1940s, it is clear that significant changes have taken place in the role and political weight of the union movement. Organised labour has shifted from a position of demands for concessions to the assertion of basic rights. However, labour's position today in regard to the rights granted by the new Constitution is characterised by some authors (Souza 1988 and Martins Rodrigues 1981, 1990) as "neo-corporatist". For Souza (1988:3) unions have asserted autonomy without abandoning the corporatist principles which authorise the unions to act as exclusive representatives of their categorias. The author argues that the organisation of interests is still regulated through exclusive representation although no more through state intervention.

Martins Rodrigues (1990:69) holds a similar view that the new Constitution has produced "flexible corporatism",



intertwining elements of a liberal-democratic conception - such as the right to strike and autonomy of organization in face of the state - with the maintenance of conceptions of a corporatist nature - such as monopoly of representation and a vertical structure of organisation.

Although I hold a much more optimistic view about the changes, there can be little doubt about the tension that this new institutional arrangement will bring to the labour movement in general, and it shows to what extent the constitution of a "new unionism" in Brazil is still in the making. Since many of the rights granted by the Constitution have only been defined in principle, and require ordinary legislation on, for their complete definition, such as the right to strike for example, the labour movement will still have to fight over many clauses of the new legislation.

## 6. Conclusion

This chapter has explained the general rules which governed the industrial relations system from the 1930s to the 1980s and shown how the corporatist system sought to contain and control organised labour in Brazil. The corporatist system is a political model which constrains political representation and does not allow for free political competition between different class interests. Although the corporatist system regulates and constrains the interests of all groups in society, the corporatist controls were primarily aimed in Brazil at controlling organised

labour.

The corporatist labour system was made up of the Ministry of Labour, the Labour Courts and the CLT Law. It established labour rights and regulated conditions of employment of wage labourers. This system constituted the "Brazilian way" of incorporating the working-class into society, namely, through the non-exercise of full political rights and the limitation of citizenship rights to rights as wage labourers. "Regulated citizenship" accentuated the elitist tradition in Brazilian politics by limiting labour's participation to a system regulated by the state.

The populist union movement of the 1960s saw massive labour demonstrations and strikes and a change in the pattern of constrained union activity. Populist union leaders were able to advance, to some extent, the level of influence of organised labour over government, but operated as parallel organisations to the labour code and did not attempt to alter the corporatist arrangement.

When the military staged a coup in 1964 it did not have to develop a new repressive system but merely enforced the repressive laws already contained in the labour code.

The emergence of the "new unionist" movement at the end of the 1970s produced complete legal turmoil and challenged the very legitimacy of the labour system. Making use of the liberalisation process underway in the country, the strikes, the birth of new and authentic leaders and the emergence of autonomous confederations of workers, all asserted the legitimacy of workers' rights to organise and mobilise

autonomously from the state. Although initially operating within the existing union structure, the "new unionist" movement questioned that structure and sought to change it.

The further democratisation of the country and the institutionalisation of a more militant and assertive labour movement brought splits and political divisions between labour groups. "Unionism of results" which prioritises confrontation with employers over "bread and butter" rights of labour, has favoured of negotiations with government and has more recently been co-opted by it in its various attempts to draw up a social pact. "Classist unionism" has recurrently pursued confrontation with employers and government and has strongly argued for radical changes in the labour code.

Despite the many problems of representation and political clientelism in the Brazilian Congress, the New Constitution of 1988 allowed for an institutional rearrangement of the corporatist system. Although the new Constitution involves two major aspects of continuity with the former system - the maintenance of the union tax and the principle of monopoly of representation - it also removes the power held by the Ministry of Labour over the unions and legitimates the status of autonomy of the unions from the state. In a concomitant process, sections of the working-class have organised in a political party for the first time in Brazilian history - the PT - while other social movements have continued to press for the expansion of citizenship rights through grass-roots organisations.

While the greater power of organised labour is changing

the previously limited incorporation of the working-class in Brazilian politics, the new form of unionism has also produced new types of problems. This leads us to the core chapters of this thesis, where the "dilemmas" of the "new unionist" movement will be analysed through the case study of the Volta Redonda steelworkers.

## CHAPTER 3

### A BRIEF HISTORY OF THE NATIONAL STEEL COMPANY, ITS ROLE IN THE BRAZILIAN ECONOMY AND ITS EMPLOYMENT POLICIES

This chapter outlines the general characteristics of the National Steel Company, presenting the necessary background on its history of and showing how the company was originally created as a company-town. Company housing for workers was accompanied by an extensive welfare system as well as a strongly paternalist managerial policy towards the workforce. The first section of the chapter distinguishes between this earlier model, when the identity of "first generation" workers was closely linked with the company's history, and the present situation where steelworkers identify themselves as metalworkers, with strong links with other working-class groups throughout the country.

This chapter shows how the National Steel Company was the first state-owned integrated steel plant in the country. It discusses the contradictory position of a productive state-owned company within the Brazilian capitalist economy: although productive state-owned companies are as capitalist as any other and tend to seek increased rationality and productivity, the profitability of these companies has been undermined by the fact that they have been used, by successive governments, as instruments of macro-economic policy. The chapter then discusses why the National Steel Company has been particularly affected by this basic

"structural contradiction".

Finally, the third section of the chapter outlines the general characteristics of the company's employment policies in the 1970s and presents the underlying issues which generated conflict between managers and steelworkers, before the emergence of the "new unionist" movement inside the company. Although in the 1970s the company no longer granted many of the welfare benefits or company housing, two elements of the past "paternalist" relationship survived into the 1970s and were the basis of the shop-floor conflicts of the period. The company implemented four different expansion programmes and sought rationalising policies to increase profitability. Yet managerial policies in the 1970s were still strongly dictated by a system of recruitment, promotion and plant-level discipline in which unfair procedures and management discrimination against workers were common practice.

This chapter presents the necessary background information for the analysis on the "new unionist" movement which emerged inside the steel plant in 1979.

## 1. The Creation of the National Steel Company and the "Company Town Days"

### 1.1. Getulio Vargas' Project of National Economic Development

The National Steel Company (CSN), the first flat steel integrated plant in Brazil, was initiated as a project in

1941 and started producing its first steel outputs in 1946. The creation of the company, under the Getulio Vargas government, was part of a strong nationalist policy which held that the country should develop its industrial park and become independent of foreign economic influences.

Military officials had a strong hand in this policy by linking the process of autonomous industrialisation with the idea of national power, internal security and strategic defence. Within this framework, steel was the very symbol of industrialisation and an issue, in debates and studies, since the beginnings of Vargas' government (1)

As emphasised by Oliveira (1972), the space for national economic expansion in Brazil was opened by the 1929 world recession and the crisis of the former pattern of accumulation. The Second World War and the closing down of foreign markets gave Vargas and national capital a further impetus in this direction.

This national economic policy inaugurated a period of rapid industrial growth through an incipient process of import-substitution, with an emphasis on the vertical integration of Brazil's industrial complex. Within this context, steel, more than any other product, became a strategic issue for the government as well as for military

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1. On the military's significant role in the process of creation of the National Steel Company, see Evans, P. Dependent Development. The Alliance of Multinational, State and Local Capital in Brazil. 1979 pages 190-192.

circles (2).

By the time the National Steel Company actually went into operation, in 1946, Brazil had eleven steel companies with technology to roll steel. However, they were mainly small in scale and did not respond to the steel demand of the period (3). Without a rapid solution, the country would see either a strangulation of its development or serious balance-of-payments problem brought on by imports for its growing steel consumption. It became increasingly clear to government circles that a country striving to become an industrialised nation needed a capital goods industry such as steel, producing in and for the country (4).

In 1943, Vargas was able to obtain \$20 million dollars in credit from the United States to finance the purchase of equipment and the construction of the National Steel Company. The equipment came from the American Arthur Mckee company and according to Baer (1969:166), the National Steel Company started its production process with the most up to date technology at the time.

The final decisions concerning Brazil's big integrated

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2. At the beginning of 1940, around 70 percent of all the rolled steel consumed in Brazil was imported. For more details see Baer, W. The Development of the Brazilian Steel Industry. 1969 page 64.

3. The largest and most important steel company at the time was the Companhia Siderurgica Belgo Mineira. For a characterisation of the steel industry in Brazil before the creation of the National Steel Company see Baer, W. The Development of the Brazilian Steel Industry. 1969.

4. For a standard account of the process of negotiation with the US government and the process of creation of the CSN see Ianni, O. 1977. Estado e Planejamento no Brasil; Baer, W. op. cit. and Evans, P. op. cit.



steelworks - decisions on technology, location and many other issues, were all resolved by central government in a conjuncture of great political centralisation. As Morel (1989:18) has pointed out, the National Steel Company was the "daughter" of the Estado Novo, the authoritarian regime inaugurated in 1937 by Vargas. With the Congress closed, the media under censorship and the political opposition subject to repression, Vargas, the military and technical advisers were able to make decisions despite the opposing ideas of other political groups.

#### 1.2. The National Steel Company in the "Company Town" Days

The National Steel Company was located in Volta Redonda, in the Paraíba Valley, situated in the state of Rio de Janeiro. It was built beside the Paraíba so as to make use of the river water in its production process. A railway system was built linking the company with the port of Rio de Janeiro. The company was also relatively close to the two other major markets in the country, São Paulo and Minas Gerais.

Volta Redonda divides its borders with three other municípios, namely Barra Mansa, Pirai and Barra do Pirai, and is close to Resende. Since 1937 two iron and steel companies had set up in the region - the Companhia Metalúrgica Barbara and the Siderúrgica Barra Mansa, both in Barra Mansa. They were small companies at the time and employed a reduced number of workers (Morel 1989:51). Volta Redonda was

completely rural, and the installation of a large, economically important company resulted in a complete transformation of the region.

The construction of the National Steel Company started in 1942, by which time it was employing around 6,000 workers on the building sites of the plant and the town. By April 1946 the plant was partially ready and the production of coke was initiated. June of that year saw the first "steel run" (corrida do aço).

The company was built on an "autarchic model", typical of mono-industrial towns. Because it was to be located in a previously rural area, the construction of the company was accompanied by the construction of a town. The integrated steel plant, named after Getulio Vargas, was built together with company housing for its blue and white-collar workforce. This company-town model, with its infrastructure of sanitation, a hospital, and so on, was accompanied by a paternalist form of management. The paternalistic form of workforce management marked by an extensive welfare system and coercive managerial policies (5). At this time there was

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5. According to the literature, what characterises the company-town model is a particular relationship between owner and/or management and workers where the workers' life outside the factory is also regulated by capital. The supply of housing by the company links the worker in a particularly subordinate way. Management can threaten the worker with the loss of housing facilities in the event of indiscipline, resistance or clear-cut militancy. For more details on the idea of the company-town as a concept of workforce management, see Leite Lopes, J. "Fabrica e Vila Operaria" in Mudança Social no Nordeste. 1979 and Oliveira, S. "Notas Sobre o Tema "Vilas Operárias". 1984.

In Brazil there had been some significant industrial experiments with the company-town model since the nineteenth century. These company-towns could be found especially among

almost no bureaucratisation of workers' rights and duties and very small numbers of medium level management. The organisation of work on the shop-floor, as well as the rights and duties of workers, were generally decided on a personal and direct basis by management (6).

The implementation of a company-town model by the company was designed not only to create the necessary infrastructure in the area, but also to generate a local labour market and a low turn-over of workers (7). Moreover, the

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textile industries, located in rural areas, where water could serve as a power resource. In the 1940s there were two other cases of state-owned company-towns besides Volta Redonda: the Fabrica Nacional de Motores in Petropolis, Rio de Janeiro, and the Companhia Vale do Rio Doce in Itabira Minas Gerais. For more details see Ramalho, J. Estado Patrão e Luta Operária. O Caso FNM. 1989 and Miyano, C. Os Homens de Ferro. 1986.

6. According to Perrot, a paternalist system of workforce management applies when 1) there is a visible and physical presence of the owner or top managers at the workplace; 2) work relations are conceived according to a family model, the boss is associated with the figure of the father and there is the provision for some form of welfare; and 3) when there is some form of acquiescence from the workforce. See Perrot, M. "The Three Ages of Industrial Discipline in Nineteenth Century France". 1979 page 154. For details on paternalist forms of management in 19th century England where there was a strong tradition of this labour force policy and its changing patterns after 1914, see Littler, C., Chapter 7 in The Development of the Labour Process in Capitalist Societies. 1982. For a discussion on paternalism in contemporary Japan, see Hirata, H. "Trabalho, Família e Relações Homem/Mulher. Reflexões a Partir do Caso Japonês" in Revista Brasileira de Ciências Sociais, No. 2, Vol. 1, Oct. 1986.

7. This was not an original policy and seems to have occurred in other steel companies in the past. The need to retain a certain group of skilled workforce for the production and maintenance sectors is a strong characteristic of production in process industries. "Paternalism" was also found within French metallurgic towns as well as in the US Steel Corporation. In Brazil, the Belgo Mineira Steel Company also had a paternalistic managerial policy. On the American and

management's labour policy aimed at the creation of a disciplined and trained workforce. Among the men who came to work in the company many were "green labour" with no previous industrial experience; while of the others, very few had industrial experience or any knowledge of the steel-making process (8). During this initial period, the National Steel Company was the major employer in the area as well as the "local government" of Volta Redonda, with even its own militia of armed men.

In the 1940s, the National Steel Company was the largest industrial town in the country. The relatively higher wages and the welfare provisions granted by the company were a major element in attracting of workers to the area. As news about the company spread, many unemployed men from all quarters, came to the town in search of work and a brighter future. These men called themselves and were known as "Arigó" - in reference to a type of bird which migrates and does not

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French cases see for example Stone, K. "The Origins of Job Structure in the Steel Industry". 1973, and Pincon, M. Desarrois Ouvrier. 1987. On the Belgo Mineira plant see Sorj, B. The Formation of Ideology Amongst the Brazilian Steelworkers. 1979, and "O Processo de Trabalho Como Dominação". 1981.

8. There are few references in the literature to the first generation workers. Baer has described them as "green labour" since "the available workers had never before worked with industrial machinery". Another reference can be found in a SENAI report which stated that the majority of the workforce in the iron and steel industry in the 1930s was unskilled, completely or partially illiterate, and came from the primary sector. See Baer, op. cit. page 77 and SENAI Report "A Mão de Obra na Indústria Siderúrgica". 1976 page 25.

return to its locality of origin (9). These workers were committed to the mystique of the first national steel plant in the country. Since, as far as the data shows, these workers had no previous industrial identity before entering the plant, it is possible to suggest that their professional pride and personal history were interwoven with the history of the company (10). As a result of this, their identity was strongly linked with the idea of being a worker in a state-owned company rather than a steelworker per se (11).

The government and management publicised the National Steel Company to the rest of the country as an "exemplary" industrial town which produced not only steel but a new type of worker as well. Under the corporatist and paternalist ideals of the time, the myth of a "steel family" was created and used by company management in its discourse to its workforce. There were frequent invocations of the spirit of union and cooperation that should exist between all those engaged in the "national dream" of producing steel for the country.

The paternalist managerial policy was present in the recruitment, training and payment of its workforce, as well

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9. For more details on the process of settlement and early days at the National Steel Company see "Arigó, o passáro que veio de longe" in Revista do Centro de Memória Sindical. 1989.

10. See note number 8 on the data available about the men who came to work at the National Steel Company in the early days.

11. For a further development of this argument based on a great deal of first hand data, see Morel, R. A Ferro e Fogo. Construção e Crise da Família Siderúrgica. PhD Thesis. 1989 especially pages 442-452.

as in the policy of incentives and promotions (12). In relation to recruitment, the company legitimated a system which gave incentives to other members of the workers' family. This not only made senior workers responsible to the company for the new worker they referred, but also reinforced the idea of a "steel family". Training of the workforce took place either on an informal on-the-job-training basis or as formal training of skilled workers at the company's Technical School, the only such place available to them at the time. This was a source of conflict between workers, since entrance was limited to a small number of candidates and because the best housing and career prospects were restricted to skilled workers.

Thus, a marked characteristic of the period was a significant differentiation between workers on the basis of skill. According to Morel (1989:169-170) and Pimenta (1989:109), this was consciously stimulated by management and the system of payment, incentives and promotion further accentuated the skill differentials.

In general the wage policy exceeded the national level of the period, while maintaining a clear distinction between wages the skilled and the less skilled, as an additional incentive for the former to remain in the company.

The system of incentives and promotion was designed to reward seniority and diligence and to reinforce the idea that

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12. For greater details on the paternalist policies of recruitment, training and payment see Morel, R. op. cit. and Pimenta, S. A Estratégia da Gestão: Fabricando Aço e Construindo Homens. O Caso da Companhia Siderúrgica Nacional. 1989.

these steelworkers were privileged to enjoy the extra wage benefits. In 1948 the company started granting workers a share in profits, popularly known as "giraffe", which exists with a different structure, up to the present day. Those paid on a core basis were excluded from this system.

The "benefactor" image of the company co-existed with a tight and repressive managerial control over the workforce, illustrated in the almost unlimited disciplinary power of the foremen and the direct superiors on the shop-floor. Workers could be called to duty from home whenever management thought it necessary and the workers had to make the best of the extremely harsh working conditions at the plant. Nevertheless, a mystique of company "generosity" was built up during the 1940s, based on the welfare benefits, higher wages and bonuses.

Although it has been pointed out by Morel and Pimenta that workers were not passive recipients of such a policy, the paternalist-corporatist type of management reinforcing a nation-wide spirit of corporatist relations, can account for the absence of strikes and/or radical militant action among the workforce.

Within this political context, the Metalworkers' Union of Volta Redonda was created in 1946, under the influence of "corporatist unionism". Indeed, the union was a direct result of Vargas' massive campaign for unionisation after 1943 and was most welcomed by government and managers (Veiga and Fonseca 1990:15-20 and Centro de Memória Sindical 1989:37-39). The union was born with the characteristics of a

"company-union", since its base at the time was composed almost exclusively of the company's manual workforce and the small number of employees from the two existing firms, the Barbara and Steel Barra Mansa.

The fundamental characteristic of workers' disputes and demands in the period was the struggle to force the company to recognise or extend the rights granted to workers by the CLT Law. Issues such as the eight-hour working day (article 58 - CLT); paid breaks inside the plant (article 71 - CLT) and the recognition of dangerous and unhealthy working environments (articles 189 and 277 - CLT) were areas of conflict between management and the steelworkers' union. These union-led struggles changed the steelworkers' perception of the union as an external and artificially created institution and resulted in its being recognised as their legitimate representative (13).

As stressed by Morel (1989:337), although the company operated an extensive welfare system, the company acted many times as if it was "above" the labour laws. Workers' demands over the recognition or extension of CLT rights by the company, may be interpreted as an unintended consequence of

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13. There is an element of contention in the literature in relation to the exact time that the steelworkers started presenting plant wide grievances and demands to management. For Morel, the period started in 1952 when there was a deepening of internal conflicts linked to workers' grievances over the company's non recognition of some CLT regulations and the response to changes in work organisation. In contrast for Pimenta, the period of greater conflict began in 1957, when the Metalworkers' Union did not sign the Annual Work Contract for the steelworkers at the Company. The "agenda of demands" was taken to the Labour Court to be judged. For more information on these issues see Morel, op. cit. pages 294, 334 and 337 and Pimenta op. cit. page 258.



the corporatist politics of the period. That is, although corporatism played down militancy and activism, the Labour Code was not only a concession by government but also enshrined the very idea of "rights", a base upon which notions of justice and fairness could be developed by workers. At the same time, however, corporatism limited the possibility for workers to create their own agenda of rights and demands, since their organisation was not autonomous from the state (14).

The infrastructure created by the National Steel Company and the creation of a labour market in the area were an element of attraction for small and medium sized industries connected to metallurgy. This in turn drew many workers from nearby regions and states. From the 1950s onwards Volta Redonda became a major pole of labour attraction in the region, with a cyclical wave of migration. According to sources, the town's population grew by 146%, from 1950 to 1960 (15).

In 1954 Volta Redonda was given independent status as

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14. This dilemma of corporatism has also been made by Caldeira and Pessanha. Both authors suggest that the political socialisation of the first generation of Brazilian steelworkers during Vargas years of construction of corporatist relations, resulted in a strong perception by workers of their "labour rights". On the other hand, however, these corporatist relations helped to produce a more acquiescent and less politically militant working-class than more recent generation of workers because the former did not develop autonomous forms of organisation from the state. For more details see Caldeira, T. "As Imagens do Poder no Saber Popular" 1975, and Pessanha, E. Vida Operária e Política. Os Trabalhadores da Construção Naval de Niterói. 1985.

15. Source: IPPU - Instituto de Pesquisas e Planejamento Urbano de Volta Redonda. 1983 page 10.

a municipio with the right to have its own local government, and to elect a mayor and a legislative assembly. This administrative and political emancipation of Volta Redonda from Barra Mansa expressed the immense growth and development of local life and the end of the National Steel Company's hegemony in terms of local administration.

As pointed out by Pimenta (1989:138), however, this political emancipation did not immediately constrain the company's power in terms of local politics. Because of its central economic importance to the town, not only as employer but as the main tax contributor in the region, the company retained its political power in the region until the 1960s. But the emancipation did allow other social actors such as former farmers, landowners, shop owners and merchants to appear in the social and political life of the town, bringing to light competitive interests and political disputes.

### 1.3. The Crisis of the Company-Town Model

It has been suggested by the literature that the end of the company-town model was related to a serious profitability crisis which emerged when the company lost its market monopoly over flat steel (16). This monopoly was held by the company up until the 1960s, when two other steel state-

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16. In 1950 and 1960 the National Steel Company was responsible for around 50% of the flat steel produced in the country while the remaining 50% was imported. For more details see Pimenta op. cit. page 186.

owned companies were created, namely COSIPA and USIMINAS (17). Although the National Steel Company had an impressive performance in its initial years, its productive policy emphasised quantity of output rather than quality. Furthermore, the company had a limited range of steel products (18). As the Brazilian industrial park became more complex and the capital goods industry started demanding better quality steel outputs, which COSIPA and USIMINAS could offer, the National Steel Company was faced with a crisis.

As a result of these developments and the profitability crisis faced by the company, the 1960s saw the ending of a great part of the welfare benefits. In 1967 the company broke completely with the company-town model by selling its houses to workers and transferring its public assets such as streets, parks and urban services to the care of the municipal authorities (Fontes and Lamarão 1986:21). During this period, the company introduced expansion programmes to increase its productive capacity and to rationalise the production process. An increase in the rhythm of production and the advent of more bureaucratic control strategies of workforce management took place by growth and differentiation in the company's managerial levels and the creation of separate departments of production and workforce management

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17. USIMINAS started producing steel in 1963. COSIPA was a joint enterprise between state and private capital and started operating in 1964.

18. For data on the National Steel Company's performance see Evans, op. cit 1979 page 217 and Baer op. cit. 1969 page 125.

(19).

As a result of the expansion of Brazil's industrial economy, from 1960 onwards many medium and small sized firms were created in Volta Redonda and adjacent areas, resulting in a poli-industrial town (20). Moreover, as the regional and national labour market for steelworkers grew, the company lost its privileged position as sole employer in the region and had to face competition over its skilled workforce (21). Notwithstanding these major changes, the company played up to the 1980s, a major economic role as the biggest employer in the region, paying the highest wages.

#### 1.4. A Comparison Between Different Generations of Steelworkers

The first generation of workers who entered the plant in the late 1940s and early 1950s came to retirement age in the early 1970s. The process of renovation of the workforce was

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19. For detailed accounts of rationalisation in the company see Morel, op. cit. and Pimenta, op. cit.

20. According to the 1984 Census, Volta Redonda has changed from a situation of a mono-industrial town, to one with 164 industrial firms, 27 classified as exercising metallurgic activity. Source: IBGE, 1984 Census.

21. According to sources, this tendency was to accentuate over the years. While for example in 1970 the National Steel Company employed 80% of the metallurgic workforce of the region, by 1980 this figure had decreased to 56%. Source: "Volta Redonda. Indústria e Mercado de Trabalho no Setor Secundário". IPPU, 1984.

greatly supported by the FGTS law (22). With the retirement of this group also ended a generation of workers who were highly identified with the company because of its paternalist past and, most importantly, because the worker's professional identity had been constructed inside the plant.

In sharp contrast, as the next chapters will show, the second and third generations of workers have had a lower level of involvement with the company. They entered the plant at a time when basic public education was much more extended than previously and technical qualification did not depend exclusively on the company's Technical School. By the 1970s there was a local, regional and even national steel labour market which not only contributed for training and skilling some workers but, most importantly, was a competitive force in the company's policy towards the workforce. Moreover, as indicated in Table 3.1, between the 1950s and 1980s not only did the size of the Brazilian workforce increase four-fold but the role played by the working class as a whole in national politics became much more significant.

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22. On the creation of the FGTS system in Brazil, see section 3.2 in Chapter 2 of this thesis. For its implementation at the National Steel Company, see Morel *op. cit.*, pages 442-452.

Table 3.1

Size of Economically Active Population (EAP) in Industrial Activity in Brazil, 1950-1980

Years	Size of EAP	Size of EAP in Ind. Activity
1950	17,120.000	2,400.000
1960	22,750.000	2,900.000
1970	29,560.000	5,000.000
1980	43,200.000	10,800.000

Source: Calculated from Figures from the Industrial Census. Anuário Estatístico do Brasil. IBGE. 1988, page 104.

All these elements help to explain why the younger generation at the National Steel Company have a much stronger identity as metalworkers rather than based as state-company employees.

## 2. The "Structural Contradiction" of State-Owned Companies and the Recurrent Crisis at the National Steel Company

### 2.1. What is the "Structural Contradiction" of State-Owned Companies

As pointed out by Abranches (1977), Evans (1979) and Daim (1977), the creation of the National Steel Company within Vargas' national economic policy inaugurated a new articulation between the private sector and the state-bureaucratic apparatus. These authors suggest that the role of productive agent played by the state in the 1940s was a fundamental instrument in guaranteeing the reproduction of the capitalist system in Brazil, on new grounds.

According to Daim (1977:150-151), the role of Brazilian state-owned plants in the process of capital accumulation was twofold. First, the state functioned as a "development agency" by rationalising and directing economic expansion. Secondly, through price control and other policies, the state allowed for the transfer of resources to benefit dynamic sectors of the economy. In practice, the publicly owned companies ended up subsidising sectors and activities defined

as priorities by macro-economic policies. Through this mechanism, the state not only provided an incentive for the participation of national capital but also legitimised the presence of foreign capital in relevant sectors of the economy. Through its productive enterprises the public sector integrated itself in, and became responsible for, the consolidation of capitalist development in the country.

In the particular case of the National Steel Company and other state-owned steel plants created after 1960, the state operated a division of labour whereby the sub-sector of flat steel became a state monopoly while private capital developed the non-flat steel sector. This reflected the very nature of state intervention in the industry, since flat steel products were the basic input for capital goods, consumer capital goods and the construction industry. Moreover, steel counted significantly in the price composition of such goods, so that the price of steel products was "strategic" for the economic development which was sought at the time (Daim 1977:148).

Besides the National Steel Company, other state-owned companies created during the 1940s were: the Companhia Vale do Rio Doce, the Fabrica Nacional de Motores and the Companhia Nacional de Alcalis. These were all the result of initiatives by the state, which served at once as investor, planner and entrepreneur. Daim (1977:144) contrasts these "first generation" companies with the "second generation" of President Kubitschek's Plano de Metas and the "third generation" of the post 1964 period.

What characterised "first generation" companies was that



they were not part of an explicitly associated project of private capital although in practice they allowed for a breakthrough in the process of industrialisation and the opening of the country to foreign capital, on new grounds.

The state's control over the flat steel sector, oil and later energy was justified by their strategic nature and was rhetorically supported by different political interests as a search for autonomy and national security. It was only in the second phase of development, during the Kubitschek years, that links between the Brazilian state and foreign capital were established as a straightforward policy and multinationals were encouraged to instal plants and produce in the country.

## **2.2. Successive Governmental Directives for Steel and the Price Containment Policy After 1964**

Despite its strategic role in economic development, there was no plan for the steel sector as a whole until 1964. Each company was subjected to different demands and regional political interests, and the three flat steel integrated plants - the National Steel Company, COSIPA and USIMINAS - sought individual markets on a competitive basis. With the creation of SEPLAN - Secretaria Especial de Planejamento, a central office for economic planning, these companies became subject to major administrative and rationalising programmes in which the principal objective was to make them as operationally efficient as the privately owned plants.

According to SEPLAN these state-owned companies should no longer count on central government's subsidies and should yield profit to finance their own expansion (23).

This policy was completely reversed in 1965, when the government adopted a policy of price containment for steel products from state-owned companies, on the grounds that their weight in the price formation of the capital goods industry made them significantly responsible for the sharply rising inflation (24).

In 1974 central government made another attempt at a long-term policy for the steel sector, which was named the "Ten Year National Steel Plan". During this year the SIDERBRAS (Siderurgia Brasileira), a steel holding was set up under the Ministry of Industry and Finance and assigned a significant role in coordinating the steel sector. The holding was supposed to solve the sector's financial problems by receiving public money from the budget of the Ministry of Industry and Commerce as well as attracting foreign capital for expansion of the sector. In reality, however, the holding was far from resolving any problem since the Ministry's budget was cyclically reduced. This fact, together with the policy of price control, de-capitalised the steel companies completely during this period.

Although the industry made some advances in the late

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23. For more details on the Brazilian economic policies of this period see Abranches, S. "Empresa Estatal e Capitalismo" in Estado e Capitalismo no Brasil. 1977.

24. For detailed information on the state of the steel sector in the period, see Guimaraes, O. "Tecnologia e Siderurgia Brasileira" in Revista Brasileira de Tecnologia. 1987.

1970s and early 1980s - increased output, successful export drives, and short periods of price increase for steel products, for example - SIDERBRAS experienced a pattern of crisis and debts well into the 1980s. In 1986 it was estimated that if SIDERBRAS's debts continued to rise at the levels of the early 1980s, by 1992 it would be responsible for one fourth of Brazil's foreign debt (25).

From early in the 1980s this pattern of increasing debt and crisis of state-owned companies led some government planning bodies to propose privatisation programmes, especially in the steel sector. In 1982 for example, government created a "Special Commission for Privatisation". During President Sarney's government (1985-1990) another programme proposed the selling-off of many state-owned companies, including a detailed plan for the "privatisation of SIDERBRAS". An Inter-Ministerial Council for Privatisation was created in 1986, and a project to allow government to privatise state companies was proposed to Congress and later rejected (26). The programme proposed to SIDERBRAS included, among other measures, complete freedom in managerial and price policy for the steel companies and de-regulation of the state steel industry as a form of attracting private capital into the sector. This project

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25. Source: Folha de São Paulo, June 29 1986.

26. In face of the disputes in Congress against the government's first "privatisation project", in January 1989 President Sarney issued a "provisional measure" to be voted later by the Congress which authorised the privatisation of a series of state-owned companies, initially 14, from the so-called "productive sector". Source: O Globo, January 16 1989, April 5 1989 and Folha de São Paulo, February 11 1989.

encountered great resistance among politicians and public opinion at the time and was not implemented (27). A "privatising" agenda was once again put forward by Sarney's successor, Fernando Collor de Mello, in 1990 but it is still too early to make any assessment of its fate.

Despite the attempts to de-regulate, the government had absolute power to regulate the steel industry in the 1980s. Not only were steel prices under strict control, but the mechanisms for import or export incentives and the setting of the conditions for credit facilities and levels of interest rates were also under government control. The government also regulated and mediated the raising of loans on the international money market, through the SEST- Secretaria Especial das Empresas Estatais (Special Office for State-Owned Companies). From 1985, the government also started to exercise direct control over state-sector wages alongside its wage policies for the Brazilian economy as a whole, through the CISE - Conselho Interministerial de Salários das Empresas Estatais (Inter-Ministerial Council on Wages of State-Owned Companies) (28).

The main purpose of the government steel policies since

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27. By the end of Sarney's government only 17 small state-owned companies had been privatised, representing 2% of the state's productive assets. Source: O Estado de São Paulo, August 28 1988 and Folha de São Paulo, April 2 1989.

28. SEST was created in October 10 1979 through Decree Law 84.128 in the government of Joao Figueiredo. CISE was created in June 26 1985 in the government of Jose Sarney.

It is important to note that the government's control over wages through the SEST and CISE reinforced its already significant control over the conditions of employment through the CLT and FGTS, and over general wage policies.

1964 has been to instrumentalise it for the execution of macro-economic policies. State-owned plants were held responsible for the control of inflation between the years 1964 and 1968. Later, with the 1974 recession, controlled steel prices helped the government in its export drive. More recently, especially since 1986, the government has once again used the state-owned plants for its anti-inflationary policies (29).

In the price containment of the state-owned steel sector, the main beneficiaries have been those dynamic sectors of the capital goods industry whose monopoly power has allowed them to secure high levels of profits. There has thus been a conflict of interests between the capitalist rationality of steel companies - which would require them to generate their own resources and profits and to control their output prices - and the need to assure large profit margins for the central and dynamic sectors of the economy (30).

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29. As suggested by Daim (1977:155) the price containment policy has not affected all the state-owned companies indiscriminately. The sectors most prone to government regulation have been, according to the economic and political conjuncture, the steel, the energy and oil sectors. During the 1970s in this respect, the state-owned energy monopoly - ELETROBRAS - had comparatively the most compressed prices. According to Jornal do Brasil between 1975 and 1988 government has compressed electricity prices by 65%, telephone tariffs by 47%, mail tariffs by 54% and steel by 56%. Source: Jornal do Brasil June 10 1989.

30. Despite this very oblique picture, the further decline of the state-steel sector should not be seen as inevitable as it has been the case in developed countries. Although there has been a worldwide decline in demand for steel products, there has also been a "geographical restructuring" whereby steel production from OECD countries has progressively declined while steel industries in third world countries have increased their market share. For more details on this process, see ILO Report, Iron and Steel Committee. 1986 and

### 2.3. The National Steel Company

As pointed out earlier, a state-owned productive company is, at one and same time, a capitalist productive unit and an instrument of economic policy for the government. The resulting contradiction has particularly affected the National Steel Company throughout its history, remaining in the forefront of its problems. This has also influenced the general trends in managerial policy for the organisation of production and workforce management.

It has been suggested that the consequences of the "structural contradiction" of the public-steel sector have been most acute in the National Steel Company because it is the oldest plant and has accumulated serious financial problems from the long strain of controlled prices and loan repayments.

In her own research Pimenta (1989:324) cites an Annual Report by the company to show that the very time when management was seeking "greater efficiency and profit to generate its own resources for the expansion of its industrial park", the company was building up increased deficits as a result of the government's steel price containment policy. The company's drive towards expansion, greater competitiveness and profitability conflicted with the cyclical policies of price and investment containment. In the end, the expansion programmes were therefore either compressed or extended, according to very short-sighted

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Contim, F. "A Industria Siderúrgica no Brasil". 1988.

policies.

The National Steel Company has been largely responsible for the huge deficit faced by SIDERBRAS. From the end of the 1970s the company started to show losses. But this trend was the direct result of the fact that in 1978 government price increases for steel were not only much lower than those requested by the sector, but actually below the real costs of production (31). Referring to the increased deficit faced by the National Steel Company, company directors stated that in 1985 steel prices were running at 30% below the rate of inflation. At the time of the "Cruzado Plan" in February 1986, steel prices were 45% below inflation. By 1989, after a series of attempts by government to control inflation and as a result of a strict price containment policy, steel prices were 50% below inflation (32). As shown in Table 3.2, the company's deficit has increased steadily up to the end of the 1980s.

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31. Source: Jornal da Tarde, March 16 1979.

32. Source: Jornal do Brasil, May 27 1989 and O Globo, May 29 1989.

Table 3.2

National Steel Company's Deficit in US Dollars, 1985-1990

Year	Deficit (in million US dollars)
1985	156
1986	250
1987	60
1988	70
1989	n/d
1990	2,6

Sources: Pimenta, S. A Estratégia da Gestão. Fabricando Aço e Construindo Homens. M.A. Thesis. 1989 page 448; Estado de São Paulo. November 17 1988 and Jornal do Brasil, May 27 1989 and July 10 1990.



Besides the price containment policy, the cyclical decline in government investment in the sector has affected the company very unfavourably. Nevertheless, the company has responded well to government export drives, increasing its share of the international market since 1980 even with the protectionist policies led by the developed countries, and achieving records sale abroad in 1983 (33). In 1984, the company's major markets were Latin American countries such as Argentina, Venezuela, Peru and Ecuador; as well as Iran, USA, China and the Soviet Union (34).

Although price controls and increasing financial costs are major explanations for the company's financial problems, this is not the complete picture. Independent auditors have alleged, since the 1970s, that the company has been involved in corruption and misdemeanours with regard to over-manning and the political manipulation of top jobs. Moreover, a succession of top company managers have been accused of incompetence in the administrative and financial handling of the company (35).

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33. In 1983, for example, "the National Steel Company reached a record of 677,000 tons of exported steel corresponding the income of US\$ 151 million dollars in the period between January and August 1983. Source: Gazeta Mercantil, September 9 1983.

34. Source: O Globo, August 5 1984.

35. For a description of the most widely publicised cases of corruption charges against successive boards of directors in the company, see Pimenta, op. cit. page 455 and the following first hand sources: Journal do Brasil, September 6 1976, September 10 1976, and July 27 1987; O Globo, August 5 1984 and O Estado de São Paulo, September 5 1976.

Despite its increasing financial and administrative difficulties, the company has been subject to a series of expansion and modernisation programmes. Three justifications have been given for this: 1) the high value of fixed capital already invested in the company; 2) the company's weight in the market for flat steel products, estimated at around a quarter of Brazil's output; and 3) the company's complete monopoly of tinplate production (36). It would be irrational to let the company grow obsolete and to build a brand new integrated plant. There is also a political reasoning involved here. The company was the first ever integrated steel plant to be built in the country and public opinion in general, and the state-owned employees in particular, have reacted very strongly in the past to any threat to close this nationalist symbol.

The most important modernisation project, called the Plan D, originated in 1962 and was designed to be executed over a ten year period, in three stages (37). As it turned out, however, owing to over optimistic predictions about future increases in steel demand and a series of crises in credits and loans and the supply of machinery and technology, the plan was interrupted several times and was only completed in 1987. The major difference between Plan D - especially phases two and three - and the former plans was its provision for technological renewal and the introduction of automated

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36. Source: Jornal do Brasil, November 17 1988 and May 1 1989.

37. More details about the expansion programme D will be given in the following chapters.

processes for the steel plant as a whole. The basic steel-making technology was switched from a Siemens-Martins to a Basic Oxygen process, and the expansion of process controls significantly augmented the plant's level of automation and integration (38).

Phases two and three of Plan D not only responded to rising demand for steel, but sought to modernise the company with the oldest productive steel park in the country. The aim was to increase both production capacity and quality and to expand the range of steel products. There has also a major modernisation programme in relation to automation. In 1974, a third generation IBM computer was installed, allowing for the later introduction of the Integrated System for Programming and Control of Production (39). Today, the steel plant is provided with 130 process control computers, which work with 35 automated control systems, in the main production lines (40). According to sources, the company is at present very up-to-date in terms of international patterns, with a level of automation involving 90% of its activities (41).

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38. Source: "Programa de Expansão, Plano D". National Steel Company 1980.

39. Source: "Realizações e Perspectivas: 1974-1990". National Steel Company, 1984 and "Estrutura Basica do Plano de Informática e Automação na Companhia Siderúrgica Nacional". National Steel Company, no/date.

40. Source: National Steel Company Annual Reports, 1983 and 1984.

41. Source: Jornal do Brasil, December 13 1984 and National Steel Company Annual Report, 1984.

As a result of progressive de-capitalisation, the company found it almost impossible to count on its own resources for the expansion programme. Besides credits from government agencies there was a need to find resources in the international market. The company thus was obliged to work with very high levels of debt, especially in the form of external financing and loans.

Those developments have made the company dependent on macro-economic tendencies over which it has neither any control nor any predictive capacity. The variations in interest rate levels inside and outside Brazil; and the fluctuations in the Brazilian currency, which was devalued several times in this period against the dollar, as the result of government strategy to boost Brazilian exports are some of the problems the company has faced along the last decade.

Although the company's deficit has tended to grow higher over the years, its financial crisis was most acute in 1988/1989 when its debt reached the same value as its capital and fresh proposals were made to close or privatise it (42). At this point, the company was technically bankrupt and was only covering its pay-roll and raw materials. During the crisis, even some of the intermediary inputs such as water and electricity bills were left unpaid (43).

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42. Source: O GLOBO, August 2 1989.

43. For more information on the 1989 crisis of the company see "A Crise na Companhia Siderúrgica Nacional". National Steel Company, 1989.

### 3. Characterisation of Employment Policies at the National Steel Company

#### 3.1. The Internal Labour Market

Until the 1970s the company's internal labour market for manual workers had two main ports of entry - through unskilled jobs or through training at the Technical School. Once employed, workers would have, at least in theory, access to any job along the ladder by building up practical experience and time in the plant. In theory any unskilled worker who entered the plant could become a foreman or a senior skilled worker in the course of his working life (44). Workers expected to have a job for life at the National Steel Company. The company reinforced this perception through its rhetoric of job stability. In theory, seniority was the main criterion for job promotions. Although this did not occur for the whole of the workforce, workers in core jobs or with particular skills did remain in the plant until retirement age. Although formal education became a criteria for promotion since the end of the 1960s, in practice, the on-the-job training still counted a great deal.

Such a system coincides in many ways with the characteristics of the internal labour market for steel

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44. However, in practice there were marked differences in the treatment of workers, and access to higher paid jobs were not open to everyone. This was especially due to the great dependency on "personal relations" and the arbitrary decision-making power granted to middle and lower management and supervisory staff. For details, see Morel, op. cit and Pimenta, op. cit.

outlined by Stone (1973:70), where the specificities of the process industry, the level of organisation of steelworkers in unions and the state of steel technology creates a pattern in which the internal labour market usually has one port of entry, through unskilled labour. In this pattern, training is done on-the-job throughout worker's career and seniority is the most important criterion for promotion (45).

When comparing Stone's (1973) account with the development of the steel industry in Brazil, one major contrast does appear. Owing to the different timing of the development of the steel industry in Brazil, it did not undergo the "contracting system" as in Britain, France and the USA neither did it encounter any resistance from workers in the initial process of de-skilling and job placement. As pointed out by Morel (1989:199) and Guerra Ferreira (1988), the steel industry in Brazil and the National Steel Company in particular were already created as a mass industry, at a time when technological developments had re-divided the workforce and de-skilled some of the jobs, at the same time that it skilled others. However, Brazilian steel managers

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45. As far as I am aware, one of the best historical accounts of the development of the "steel labour market" is to be found in the work by Stone. The author's main thesis is that the institutions of the labour system which prevailed until very recently in the steel industry, were not an inevitable result of technology but were an outcome of a struggle between workers and managers. This system came about as a result of the capitalists' taking over of steel production, and the workers' response to this process. For more details see Stone, K. "The Origins of Job Structure in the Steel Industry" in Labor Market Segmentation. Edwards, R. editor. 1973. For details on the process of creation of steelworkers' unions in the USA and Britain see Wilkinson, F. "Collective Bargaining in the Steel Industry in the 1920s" in Essays in Labour History 1918-1939. Asa Briggs et. al. editor. 1977.

were still faced with the problem of having to "create" a trained and disciplined workforce (46).

As we have already seen, workers at the National Steel Company had two ports of entry. One port was admission to very low skilled or unskilled jobs called "servente", "ajudante" or "trabalhador" (47). These jobs required high levels of physical labour and great flexibility, since their routines were determined by what was needed at a particular moment on the shop-floor. Workers in these jobs were subject to very high levels of supervision and exercised low levels of discretion over their jobs. The other port of entry was through the Technical School, which prepared workers for different types of jobs of a skilled and technical nature.

After 1973, in an attempt to decrease labour costs, the company introduced a system whereby most of its unskilled workers were to be employed by sub-contracting firms, which would put them to work in the production plant. These sub-contracting firms were mainly in the business of employment of unskilled labour. With the change in company policy, there was a drastic decline in the number of job offers in the Getulio Vargas plant for unskilled workers (48). The port

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46. For more detail on the comparison between Stone's "model" and the Brazilian case, see Morel, R. op. cit. and Guerra Ferreira, C. "O Processo de Trabalho na Indústria Siderúrgica". 1988.

47. On the basis of my interview material, it is possible to say that the actual name by which this group of unskilled jobs is known in the plant tends to vary over time.

48. As an illustration of the change in skill composition, while in 1966 the unskilled workforce was 16,3% of the manual total in the plant, in 1974, this figure decreased to 11%. Judging by my own data on the subject, this process has

of entry of unskilled labour, which had been one of the hallmarks of the company's recruitment policy, was all but closed. Workers seeking stable employment at the National Steel Company now had to find new entrance strategies if they had no formal education or training.

The main such strategy was to take a job in the plant with a sub-contracting firm in the hope of later obtaining stable employment at the National Steel Company. It was thought for example, that to be already working inside the plant would provide greater access to privileged information about new job openings, or shop-floor foremen or supervisors might possibly make suggestions or provide references for a future job as a stable worker. The significance of this strategy is illustrated by the following quotes from my interviews with workers about the period when they entered the company:

"I found a job in a sub-contracting firm as a cleaner. Then I worked inside CSN but in a sub-contracting firm, doing other rough jobs besides cleaning. After I entered this sub-contracting firm I used to dream of being employed by the National Steel Company. At least in financial terms it was the best place. Every time I would find out about the opening of posts and the application of exams, I would try to enter". (Inf. 29).

"I entered CSN for the first time in 1973 but I used to work in a sub-contracting firm. Later CSN opened for selection and I entered as a worker". (Inf. 21).

"I started working in Volta Redonda in a sub-contracting firm which worked inside CSN. I entered this firm as a labourer (servente) and worked on many different tasks. I was employed by contract and would wait until a new

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continued and accentuated through the years. In 1989 for example the unskilled workforce accounted for only 2,9% of the manual workers. Sources: Report from the Industrial Relations Department, December 1989 and Pimenta, op. cit. page 354.



job would appear.

-Did you have to do any exam to enter this firm?

No, nothing. Then I went to CECISA which was a subsidiary of CSN. When it was sold, myself and other workers from CESISA were employed by CSN." (Inf. 57).

### 3.2. Recruitment and Selection of the Workforce

Although the company sought ways to rationalise the selection procedure to render it more uniform and impersonal, networks of personal relations and clientelism dominated the process in the 1970s and well into the 1980s (49).

A system of entry exams had been in operation since 1952 when the company tried to inaugurate a "more scientific mode of management". This system has been subject to many changes over the years but it basically worked as follows. For semi-skilled work, the exam involved a very simple group of written tests to show whether the candidate was literate (a new requirement in the plant in the 1970s) and had mastered basic numeracy skills. This level of knowledge corresponds in Brazil roughly to the first four years of primary school. For skilled or technical jobs the exam involved a more complex written test as well as some assessment of mechanical and/or metallurgical knowledge. The other parts of the exam were a psychological assessment of the candidate - which was introduced in the 1960s - and a medical test.

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49. The company's attempts to rationalise its selection procedures can not only be observed in company records, such as the annual "Company Reports", but were also acknowledged by company managers interviewed for this research. I return to this issue in the next chapters.

Although almost all steelworkers interviewed in this research declared that they had to undergo some form of exam to enter the plant, the system was not completely impersonal and uniform and in at least two ways personal contacts could influence the selection process.

The first possibility arose when it was being announced to external candidates that the company would launch a recruitment drive and that applications would be received for the exams. According to some accounts, applications might be open for just a single day and prior knowledge of that could be precious information for the candidate. According to other accounts, the big, public and sporadic recruitment drives were supplemented by smaller recruitment drives for admission to specific jobs. As the following statements show, although the candidate was still obliged to undergo the exam, he did have a privileged position over other candidates based on the support from inside given to him by the personal networks:

"- How did you enter CSN?  
I had a friend and he refereed my name so that I could do the exam". (Inf.6)

" My brother-in-law arranged for me to do the exam in the furnace.  
-What job is he in, in the plant?  
He is "mestre canaleiro". (Inf. 27)

"-How did you enter the company?  
My father-in-law was able to find me a place. I had to do exams in Portuguese and maths and also I had an interview with a psychologist". (Inf. 28)

The second way in which the network of personal relations worked was by influencing the type or location of the job to be obtained by the candidate, as a result of the influence and prestige of close family members, for example,

in a particular section of the plant. Such occurrences were not reported in great numbers and were always a question of kin relations, such as the father arranging for the entrance of the son. This might indicate a characteristic of "working-class culture" in which "generational jobs" are sought by the family.

"-For me to enter the plant was a reference from my father, he wanted me to go to the same job as his, so I first worked in his department. From there, they studied other departments, a more adequate job because what I did in the steel plant was very dangerous, with all that fire". (Inf. 33).

"- My father worked 24 years at CSN, he worked at the same place where I later went to work, the foundry. To do almost the same type of job as his. This became almost a characteristic of the foundry. I don't know how it is in other departments but there, the fathers leave and put their sons in their place". (Inf. 23)

The importance of clientelist networks could also be observed in the role played by some bureaucratic union officials of the period, in giving a "helping hand" to newcomers. Although I have not encountered firm evidence of this practice, the following quote attests that it took place:

"-How did you enter the company?

-Oh, it was my father who arranged it for me. He asked some people from the union. They would suggest people's names to the company and then we would go and do the exams that were needed". (Inf. 44).

At least in theory, after passing the exam, the candidate was allocated to areas where there was greater need of workers and where vacancies were available. In principle the job vacancies should be the best possible match between the candidate's skill and the job description. However, judging by workers' account below, there was a whole area of

personal favours and insider information which mediated this process.

"-Who decided and allocated the area in which you would work?

Well, who decided was the head of department and he would say: people have to accept the jobs on offer. Either accept it or leave! But that was what they wanted us to believe because I knew many friends who got their way and went to the department that they wanted most. That is what I mean by "politics" at the company". (Inf. 43).

There was also a "culture of preferences" expressed by the workers during my research, such that they would choose the sector in which they would like to work and try to bring some influence to bear, either through personal contacts or through a transference, as soon as the opportunities arose. Although there was a whole array of individual preferences, there was a general pattern in the choice, which might or might not be considered by management in allocating the worker. As the following statements show, workers' major concerns in the selection were with health problems and the dangers involved in each production sector:

"So I chose the rails department.

-Why did you choose this department and not another? Because of information given by people. I kept asking people which were the best departments. I was worried about dangerous places. Because of a mate who was at that department, I stayed there". (Inf. 5).

"I did the exam and there was a place for me as helper and I did not take it. I visited the department but did not take it. Then there was a place in the steel-making department as helper I also did not take it, I preferred to wait. I waited one month. Then there was a place in the electrolytic finishing department and I accepted it (...). Listen, there are places in the company where you can only talk if you scream. There are other places with great heat. Others are very polluted. The place where I work is a bit better, there is no heat, no smell of gas and the noise is bearable". (Inf. 47).

Another valued feature was the level of workers' discretion and level of management's supervision over the job. However, since very few jobs actually offer such features, this preference worked as the "ideal" to which many workers wished to ascend, some day.

### 3.3 Job Progression and Job Promotion

Rather as in the recruitment policy outlined above, company management have tried, since 1968, to implement a system of promotion in which workers' performance is based on "scientific" evaluations and not just on the length of service or clientelism between some workers and management. As far as I know, "scientific evaluation" has taken a long time to become a widespread practice, for all the company's departments. As I will try to show, it is only since 1988 that it has been possible to say that the company has a bureaucratic system of evaluation (50). Although the company states that it has striven to implement a "fair" and "impersonal" system of evaluation for job progression and job promotion, this issue has been a central source of conflict

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50. For a classic discussion of the bureaucratisation of the organisation of work, see Braverman, H., Labor and Monopoly Capital. 1974. For a discussion of bureaucracy within an organisation, within Weber's model, see Hill, S., Chapter 4 in Competition and Control at Work. 1981. For a discussion of the process of bureaucratisation at work, with a focus on the control it entails, see Littler, C. The Development of the Labour Process in Capitalist Societies. 1982 and Littler, C. and Salaman, G., Class at Work. 1984.

between workers and managers since the 1970s (51). More than in the recruitment system, it is alleged that personal relations and favours among workers and foremen, or even family links, have been crucial for a steelworker to move up the job ladder over the years.

Workers state that this system produces injustice, in contrast to an impersonal and bureaucratic system:

"I have been working eight years in the coke-battery platforms. It took me three years to get promoted from helper to operator. Competition was high, there were many people going for the job. In the company there is still that thing of giving a hand to a family member or a friend, the one you play football with, etc. Since I had no one to help me, it took me that long". (Inf. 42).

"(...) Transference from a job has a lot to do with a "helping hand" from the boss. It will depend if he likes the person and is willing to help. It really depends if he likes your face or not". (Inf. 33).

This problem is also related to an "informal system of training" which prevails up to today in the plant. With the exception of the period of implementation of the expansion programme, when the company invested in the formal training of its workforce, there has usually been little training in the plant for horizontal and vertical mobility. There is on-the-job-training, which is done by workers and based on other workers' help, in an informal way. But the recognition of workers' "new skills" obtained through "on-the-job training, and thus the job promotion that should follow, is dependent on the foremen and supervisors recognition within the plant

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51. Job progression refers to horizontal promotion, within the same job title. Operator I, II, III and IV are examples of job progression within the job of operator. Job promotion refers to vertical promotion from one job title to another: for example, from operator to mechanic or from moldmaker to toolmaker.

level. Not only may this take a long time but it is also an arena where personal favours and relationships count:

"There is exploitation here. The worker for example, enters as "trainee" in the production sector and stays as trainee for 3 years. In reality after one month, the operator who was supposed to train you has left and you are there with all that responsibility without being paid for it". (Inf 2).

### 3.4. Final Remarks

I have discussed in this section the three basic features of the employment policies of the National Steel Company in the 1970s: namely, the internal labour market, recruitment and promotion policies. It has been shown that the internal labour market found in the company in the 1970s was very similar, in its main features, to the structure found in the steel industry by Stone (1973). It has been argued that although the official rhetoric is that the company sought ever more impersonal and bureaucratic policies for recruitment, selection and promotion of its workforce, such a policy only took clear shape at the end of the 1980s. Before then, workers viewed company policies as a source of discrimination against some workers and in favour of others, where clientelist networks and personal relationships allied with seniority, determined much of the worker's rights and career prospects inside the company. In the 1970s and throughout the 1980s these policies generated many shop-floor conflicts between workers and management. I will argue and show in the following chapters that reaction to what workers called "unfair" policies turned into more organised

grievances after the "Union Opposition Group", which had emerged on the shop-floor in 1979, won office of the Metalworkers Union in 1983.

Besides the policies outlined in this section, two other shop-floor issues had a great impact in the increased militancy in the plant and led to the 1984 strike in the company. These issues will be discussed in the next chapter. They were: 1) the repressive and arbitrary rule of low level managers and foremen in the day-to-day running of the shop-floor, and 2) the appalling working conditions at the steel production site and the high number of accidents and deaths directly caused during work.

#### 4. Conclusion

This chapter has presented a general outline of the history of the National Steel Company from 1946 up to the 1970s. It has discussed its "strategic" insertion in the Brazilian economy, due to the importance of steel as a basic product for the development of other industries. The concept of "structural contradiction" of state-owned companies has helped to explain the recurrent financial crisis faced by the company as well as the almost complete lack of autonomy from central government in terms of decision-making power on such crucial matters as product pricing and wages policy.

By comparing the generation of company steelworkers from the "company town" days with the second and third generation of workers after 1964, I have sought to show that although in



the 1970s and 1980s the National Steel Company was still state-owned, steelworkers no longer held any special attachment to the company as they had done during the "steel family" years. The second and third generations relate to the history of the first generation with a mixture of respect and criticism. The new generation tries to create a new image for itself, less acquiescent and no longer seduced by the company's "welfare dream" as the "Arigo" worker used to be in the past. These younger-generation workers call themselves "peão", to mark the idea that there is no longer any significant internal differentiation between them, as well as to emphasize a common proletarian identity with the rest of the Brazilian working-class.

This break with the "nationalist past" should not, however, be viewed in absolute terms. The "structural contradiction" experienced by state-sector steel companies in the Brazilian economy created a framework of tension between the aims of their directors and the role attributed to the companies by government. Thus, at the National Steel Company, the "structural state of conflict" which developed between workers and management after 1979 with the birth of the "new unionist" movement has also been accompanied by moments of identification between these two groups, against government policies towards the plant and the steel sector as a whole. I would like to suggest that in the history of the company, nationalism has played on and off the role of forging common interests between workers and management. This was particularly evident in the early days of the company, but it

returned during the populist years of the second Vargas Government (1951-1954); during the presidency of Joao Goulart and in 1985-1986 when Sarney's government instated a nationalistic rhetoric and company management pursued "more democratic" styles of management.

As far as the company's employment and managerial policies are concerned, I would like to suggest that although the paternalist policies of the past did not survive as a whole, the 1970s and early 1980s witnessed a combination of "personal and arbitrary" types of management with more "modern" - impersonal and bureaucratic forms. Although the company gradually implemented further programmes of rationalisation and bureaucratic control over the workforce, traces of past policies are still present through two elements: 1) the survival of the "giraffe" and the "family bonus"; and 2) the survival to some extent of clientelist networks which allow for quicker job progression and better promotion, as well as other employment improvements.

Finally, it can be argued that although changes in managerial policies from the company-town days and after were significantly related to external factors such as the profitability crisis of the company, itself created by competition and price policies, the emergence of an organised and mobilised workforce in the National Steel Company, after 1979, produced new conflicts and contradictions to which management had to respond. The ways in which these conflicts were played out between workers and management, and the changes that were implemented after the birth of the "new

unionist" movement in Volta Redonda, are the themes of the following chapters.

PART TWO: THE CASE STUDY

A MICRO-ANALYSIS OF "NEW UNIONISM"  
AND THE STEELWORKERS FROM THE NATIONAL STEEL COMPANY

## CHAPTER 4

### COMPANY POLICIES AND SHOP-FLOOR CONFLICTS, THE EMERGENCE OF THE "NEW UNIONIST" MOVEMENT AT VOLTA REDONDA. 1979-1984

This chapter opens Part Two of the thesis, where the core of the data collected from the case study is presented. Part Two is made up of three chapters, each one concentrating on a particular period, namely 1979-1984, 1985-1987 and August 1987-1990. The periodisation has been based on the developments in the union movement, the conflicts on the shop-floor and the company policies put forward in the different periods.

This chapter discusses the emergence of the "new unionist" movement at Volta Redonda. The account of the period presents the data collected from fieldwork regarding the emergence of the "Union Opposition Group" in 1979 and its rise to power in 1983. The chapter closes with a description of the 1984 strike, the first ever in the history of the National Steel Company, and shows how the "new unionist" leaders legitimated their power as union officials in the eyes of the rank and file.

The first section discusses managerial policies in the period preceding the emergence of the "new unionist" movement. It describes the attempts made by top level management, with the help of a consultancy firm, to modernise what were classified as "obsolete methods" of administration, decision-making and labour force management. The changes were intended

to prepare the ground for the introduction of technological innovations resulting from phases two and three of the expansion Plan D. Besides a general administrative reorganisation, the company implemented two important policies. The first, was to transfer to sub-contracting firms jobs that were not considered essential to steel-making. This delimited two different labour markets, one of core workers and another of non-core workers. The second policy re-structured and centralised the maintenance system in the steel plant. As suggested by authors who have studied process industries, these two policies can be interpreted as a result of the general tendency in process industries to increase plant productivity. The presentation of the managerial policies of the period aims to show the underlying conditions and organisation of work in the plant, as well as the relations between workers and managers.

Following the analysis of managerial policies, the section pinpoints the two most important sources of shop-floor conflicts in the plant in this period, namely, management "despotism" and bad working conditions. The section shows how these shop-floor conflicts were generally experienced by workers at that time at an individual level, as opposed to any organised collective response and action.

Section Two goes on to describe the birth of the "Opposition Group" among steelworkers from the National Steel Company. It shows how this group identified with "new unionist" ideas by questioning, for example, the corporatist system and by taking shop-floor problems as the mobilising banner of

workers. In this respect, the struggle for the "six days of work to two days of free time" - which the "Opposition Movement" took into to negotiations with management in 1979 - was a turning point in the workers' recognition of and participation in, the "Union Opposition" movement. It will be shown how the "Opposition Group" won the election to the union executive in 1983 and tried to implement a new form of union government, in sharp contrast with the former bureaucratic union, under the leadership of Lustosa.

Finally, Section Three outlines the events leading to the 1984 strike and the problems faced by the "new unionist" leaders during the strike. It also discusses the accentuation of differences among "new unionist" leaders and activists. Despite the fact that representatives from both groups have remained on the union's executive throughout the years, the chapter describes how the political differences already present in 1983 at the time of slate formation, were accentuated even further after 1984.

## **1. Managerial Policies and Shop-Floor Conflicts in the Period Preceding the Emergence of the Union Opposition Movement**

### **1.1. Changes in the Company's Policies in Response to the Profitability Crisis and in Preparation for the Expansion Plan D**

The basic characteristic of management policy in the period before 1979 was an attempt to prepare the workforce for

changes due to the introduction of new technology under expansion plan D. Of the numerous measures outlined in company records and interviews, three sets appear as the most important: 1) modernisation and greater rationalisation of the administrative system of the company and the plant, as proposed by the consultant firm, Arthur D. Little; 2) changes in the composition of the workforce, with the actual demarcation of a group of core and non-core workers; and 3) complete restructuring of the maintenance system in the plant.

As profitability crisis deepened, an international consultancy agency, Arthur D. Little, was called in to analyse the National Steel Company's structure and to propose changes in the way it was run (1). According to D. Little, their objective was to change the practices in the company which were not "consistent with the most modern methods and principles of good administration" (2). Thus, among the proposals was a reorganisation of the authority structure: a clearer division of labour among white-collar jobs to reduce the importance of individual decisions, by standardising the phases of decision-making and the allocation of responsibilities (3).

This process was accompanied by an attempt to improve the

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1. According to a report by Arthur D. Little the "diagnosis period" took place from 1972 to 1975. Source: "Relatório Final de Reorganização". National Steel Company. September 1975.

2. Source: "Relatório Final de Reorganização". National Steel Company. September 1975 page 4.

3. According to a Working Group's Report of 1972, the company was faced with many problems due to a not so clear structure of authority and allocation of responsibilities. Source: "Relatório do Grupo de Trabalho Geral da CSN". National Steel Company". 1972 page 45.



technical, administrative and planning sectors, to make them more agile and flexible in facing the ups and downs of the government's macro-economic policies. Another major change proposed by D. Little was a re-structuring in the classification of job titles and the vertical and horizontal forms of career rises (4). Finally, new company statutes were drafted to define the rights and duties of employer and employees (5). Although the proposals were medium and long term objectives, D. Little suggested a further break with past clientelist practices and a search for a more rational and bureaucratic system of management.

The second major feature of the period was an attempt by the company to reduce its manning levels. This was a direct result of criticism of the company by SEPLAN, which placed overmanning at the top of the list of factors involved in the crisis of state-owned companies. In the evaluation made by Arthur D. Little, the issue of overmanning was also emphasised but in respect to the older generation of manual workers. According to the consultant firm, low productivity levels reflected the large number of older workers with low motivation and resistant to change. The company therefore started to implement a policy which envisaged laying off older workers by providing indemnity payments for those who agreed to early

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4. The consulting firm carried out research to define, describe and classify each job title and to locate it within a hierarchy. The firm also conducted a research project regarding the wage levels in comparison with the regional and national steel labour market. Op. cit. 1975 page 16.

5. Source: "Estatutos". National Steel Company. 1974.

retirement (6).

The most significant policy change on overmanning, however, was to decrease the levels of workforce employment. All activities classified by the company as "external" to the production of steel would be progressively transferred to subcontracting firms (7). As a result, there was a re-organisation of the division of labour within the plant and a differentiation between core and non-core workers (8). Although a great part of the non-core jobs were related to cleaning or construction work done by unskilled or semi-skilled labourers, the company also transferred some skilled jobs to subcontracting firms (9).

This trend of differentiating between a group of core workers, with better and more stable employment conditions in comparison to non-core workers was a response to problems of "over-manning". However, it can also be interpreted, as suggested by authors like Guerra Ferreira (1988) and Borges (1983), as a typical tendency of process industries attempting

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6. The turn-over of older workers was helped during this period by the further implementation of the FGTS and indemnity bonuses for those workers willing to apply for earlier retirement. Source: Estado de São Paulo, April 6 1976.

7. Sources: "A Expansão na CSN". National Steel Company. 1977 page 2, and "Dados Sobre a Evolucao da CSN 1946-1984". National Steel Company. February 1986 page 8.

8. As pointed out in Chapter 3 in this thesis, this policy of differentiation between core and non-core workers would result in the closing of the port of entry of unskilled labour in the National Steel Company. For more details see Chapter 3, Section 3.

9. Source: Interview with company manager April 1988, manager number 1.

to increase plant productivity. Guerra Ferreira (1988:3) has suggested that there is a tendency in the steel process industry to differentiate workers by their strategic importance to the production flow. Under this criterion, maintenance and process workers would be differentiated from other manual workers such as unskilled and ancillary grades.

According to Guerra Ferreira (1988:4), management tries to implement policies to "stabilise" the strategic group, creating a particular type of internal labour market in which other jobs are "destabilised" or delegated to "external" workforce, in, for example, sub-contracting firms. Guerra Ferreira has suggested as a further hypothesis that this differentiation can be related to technological innovations which allow, on the one hand, for a clear definition of strategic and non-strategic points in production and, on the other hand, for a replacement of some strategic jobs through automation in the production process. The company's ultimate objective would thus be to reduce manpower costs by reducing the number of workers employed. At the same time, the improved employment situation of core workers, in comparison with non-core workers, would allow management to demand of them greater levels of commitment and active intervention in the production process (10). This managerial demand is also aimed at improving production flows and reducing the number of stoppages between production

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10. Although at this point in time there was no clear cut managerial policy on greater flexibility, I will show in Chapters 5 and 6 how such a policy was implemented in view of even greater rationalisation and efficiency from core workers.

sequences (11).

Taking up this general statement and relating it to the case study in question, it is possible to suggest that such a trend was taking place at the National Steel Company at the end of the 1970s. Two other developments would tend to confirm this. First, the technological innovations under phases two and three of expansion plan D marked a turning point insofar as they replaced the steel technology in the plant and introduced a greater level of automation in the production process. In Table 4.1 it is possible to see the timetable for the expansion and technological modernisation at the company.

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11. As already discussed in the Introduction to this thesis, although process industries tend continuously to expand the level of automation in order to integrate the production process, the continuity of the production process is heavily dependent on the intervention of core workers to restore interrupted production or to deal swiftly with unforeseen problems and emergencies. This type of intervention is routine to core workers and has not been eliminated even by high levels of automation. For more details on this subject see Guerra Ferreira 1988 and Borges 1983.

Table 4.1

Characterisation of Plan D - Expansion and Technological Modernisation at the National Steel Company and its Three Different Phases of Implementation

Plan D and its Different Phases	Forecast of Beginning and Completion Dates	Actual Completion Date	Increased Capacity in Liquid Steel (tonne/year)
Phase 1	1969-1973	1975	1,500.000
Phase 2	1973-1976	1980	2,000.000
Phase 3	1976-1981	1987	4,600.000

Sources: "Dados Sobre a Evolução da CSN - 1946-1984". National Steel Company. 1988; "Realizações e Perspectivas 1974-1990". National Steel Company 1984 and "Plan D". National Steel Company. 1985.

Moreover, this expansion programme reorganised the skill composition of the workforce and defined more clearly the "strategic" and the "non-strategic" jobs and sectors of production. Second, after the beginning of the expansion programme D in 1975, many firms were created or set up in Volta Redonda to provide the company with the necessary services for the expansion stage. Although the existence of these firms fluctuated a great deal because of the instability of the expansion programme, they did expand the regional and local labour markets, creating conditions for a labour market of "non-core" workers to exist. The end-result was the erection of two internal labour markets in the company. Core workers are employed by the company with higher wages, job advancement prospects and better working conditions. Non-core workers are employed by sub-contracting firms, with lower wages and much worse working conditions, as shown in Table 4.2.

Table 4.2		
Number of Fatal Accidents Among Workers at the National Steel Company in the Period 1979-1984		
Year	Among Workers Employed by the Company	Among Workers Employed by Sub-Contracting Firms
1979	3	10
1980	4	16
1981	1	8
1982	2	3
1983	3	0
1984	4	2

Sources: "Realizações e Perspectivas 1974-1990". National Steel Company. 1984 and Bulletin from the Health, Safety and Medicine at Work. National Steel Company. 1989.

From Table 4.2, it is possible to see that in a comparison of the number of fatal accidents between the group of core workers employed by the company and the group of non-core workers employed by sub-contracting firms, the latter group has suffered the greatest number of fatal accidents.

The last important change in the period was a complete restructuring of the maintenance system in the plant. This may be interpreted as a basic concomitant of the technological modernisation programme. As suggested by Borges (1983:80-82), the maintenance sector has a strategic part to play in the operation and profitability level of process industries, above all by limiting the number of stoppages of the production flow due to machine failure or breakdown. As steel-making is a rough process, the resistance of machinery is constantly in question and a great deal of repair and emergency maintenance is needed. Moreover, the planned lifetime of the machinery is only guaranteed if it receives the appropriate maintenance (12).

According to management sources, the major change in maintenance during this period was the transition from a de-

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12. As already indicated in the Introduction of this thesis, the productivity of process industries is not directly dependent on the direct rhythm of production, but on "economies of time". "Economies of time" rely on the greatest possible continuity between production sequences, the least number of stoppages, and the best utilisation of installed capacity. This process in turn relies on two main features: the intervention and engagement of core workers and an efficient maintenance system. For more details see Borges 1983 page 80.



centralised to a centralised system (13). The benefits of such an approach spring from the possibility of reducing the number of maintenance workers and making a more rational use of their time. At the National Steel Company there are two types of maintenance department. One is the maintenance workshop, involved in the manufacture of spare parts for machinery and tools. The other is engaged in what is called "emergency" and "preventive" maintenance. The re-structuring affected this second type. Whereas each section of the plant used to have a skilled maintenance group to intervene according to needs, to new system of centralised maintenance increasingly involved advance planning and more rational use of the workers' resources. The new Department of Mechanical Maintenance (Departamento de Manutencao Mecanica - DMM) encompasses a large number of mechanics and electricians under a centralised administration and in a centralised location.

#### 1.2. Sources of Shop-Floor Conflicts in the Period. The "Despotism" of Shop-Floor Management

At the same time that the changes outlined above were being implemented and the modernisation of managerial policies

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13. In an interview with company manager number 3, it was suggested that after the reorganisation of the maintenance sector, some highly specialised maintenance services also began to be done outside the company, by sub-contracting firms. Other sources on the reorganisation of maintenance were: 1) an interview with a technical level steelworker - Informant 9 - who was working in the Department of Production Planning when these changes were taking place; and 2) interview with a skilled steelworker working in the maintenance department at the end of the 1970s - Informant 22.

was being sought, the previous system of clientelism and discriminatory managerial practices continued to operate on the shop-floor. In Chapter 3, I have outlined the basic structure of the company's employment policies in the 1970s and shown how they were strongly influenced by clientelism and arbitrary rule by lower level managers and foremen. In this chapter I will concentrate on two other sources conflict at the root of the shop-floor politics which developed after 1979: the first issue concerns the conflicts which arose from the "despotic" power of shop-floor management and foremen and the second relates with bad working conditions. In this section I will concentrate on the first point.

There were two types of supervisory employee at the shop-floor level of the National Steel Company at the time, the foreman (encarregado) (14) and the "senior skilled" worker (mestre) (15). The foreman had administrative and management

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14. The foreman is seen by workers as "one of them" because of his links with management in terms of identity and job ladder prospects. At the National Steel Company the foreman's job is a lower middle range job, in the "administrative job ladder". The lowest rank below the foreman is the administrative helper and the highest ranks are the managers. The managers may be either engineers carrying out managerial functions or other college degree white-collar workers with functions of support to managers.

15. The senior skilled worker by contrast, is considered by the workers as "one of us" because of their common trajectories. Until very recently, the "senior skilled" was a manual worker who worked his way up the job ladder through seniority, short courses and a lot of experience on a particular phase of production. He is usually liked and respected by other workers and they share a strong complicity despite the formal hierarchical differences. The ambiguous situation of the "senior skilled", however, is a source of anxiety for those who do not wish to exert arbitrary power over the workers, as illustrated in the following quote:

"They (management) would insist in training courses

roles regarding the workforce but little "technical knowledge" of the production process. The direct authority over workers regarding production issues was delegated to the senior skilled worker, who was in turn subordinate to the engineers and the planning department. Although the senior skilled had authority over workers' disciplinary issues, it was the foreman who would have the last word on disciplinary matters, promotion and transfer of workers.

At the company during this period, the formal disciplinary system consisted of four types of penalties which could be applied to a worker, according to the seriousness of his infraction: a warning, a reprimand, temporary suspension and dismissal for "just cause" (16). According to the Personnel Manual, penalties could only be given to workers by the head of the department himself and had to be registered in the employee's work record. Up until today, a bad record can undermine a worker's access to job progression and promotion inside the company. Although the Manual specifically states that oral remarks made by lower ranking managers are not considered a formal penalty, in practice, the nature of shop-

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that a senior skilled should not eat with other workers or stay with them during breaks. I have never had this type of behaviour, I have always tried to act in the best possible way. I was lucky I have always had the best possible relationship with my subordinates and our group has always produced very well. We were at the top amongst the other groups" (Inf. 8 - senior skilled worker).

16. As far as I am aware from information given by management, the disciplinary code used by management is still based on the "Personnel Regulations" dating back to 1970. The penalties cited consist of Article 22 on the "disciplinary regime".

floor work meant that it was the foreman and senior skilled workers who suggested to the head of department that a worker should be punished. This was one of the bases of power which foremen and some senior skilled workers used to exercise over manual workers (17).

The relationship between manual workers and foremen generated many conflicts on the shop-floor. Although by this point in time, the company had changed many of its policies from the paternalist mode of the company-town days, personal relationships still played an important role in the everyday life on the shop-floor. According to accounts by informants, the possibilities of improvements in a worker's situation - such as promotion, job recognition or job transfer - depended heavily on clientelist networks and a system of favours between some foremen and particular workers. Although some workers made use of these networks for their own benefit, others felt very resentful and described the National Steel Company as unjust (18). As the following accounts demonstrate, foremen had a

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17. The workers call all three disciplinary procedures as "gancho" and many informants made a point in the interviews to stress either that they have not had any "gancho" during their working life or that the "gancho" on them had been the result of unjust measures by management. This attested to the importance they attribute to it.

18. When comparing first-generation workers with the second and third generation of workers in the course of this thesis, I have tried to stress the points of discontinuities. However, the use that some workers have made of personal relations for their own benefit constitutes an area of marked continuity between different generations.

Morel (1989:204) has provided evidence of workers who made use of these personal relationships in the past. I have also found accounts of workers in the 1980s who have made use of the system, as attested by the following quotes:

"My level is 9. In July 85 I got a place at the office. I

great degree of power and discretion over workers in this period:

"I wanted to change. (...) to change departments but that depended on my foreman allowing the transfer, but he did not let me go. I was working in this department for four years and had not been promoted even once. I got tired of seeing people with less time than me in the department being promoted. I saw people enter at level six and in a few months change to level eleven. One of these was the brother of a foreman you see". (Inf. 11).

"There is so much pressure on the worker. When I completed five years at CSN I was at level eight, but their evaluation of me was below average because they used to call me "unruly". I was old in the department and I had the right to go to day shift to study at the Technical School, but the foreman would not let me go alleging that I was "too young". I am leaving this place, I hate this company". (Inf. 20).

"Promotions depend on the foreman, the head of the shift and the head of the department. So it depends on the workers' effort and their good will. We never know if we are going to be promoted: you can work ten, 20 years and never be promoted". (Inf. 4).

According to accounts, the situation would be even worse if the worker was politically active:

"Because of my political participation I was never allowed to change to day shift. It sounds unbelievable but I had been working in my department for eight years and every time that someone left and a possibility of transfer arose, they didn't let me do it". (Inf. 22).

"It was very hard to be promoted or have any of our rights granted in my department. Because I am from the Workers' Pastoral and work in the union they (management) saw me with very bad eyes. They never even listened". (Inf. 26).

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got a place by "peixada", you see, 'cause I had an uncle working there". (Inf. 11).

"You see I had this supervisor who really liked me and he would give me advice. I think it was because of him that I was not dismissed, even though I would not come to work frequently and I did the things the way I wanted.(...). We both liked motorcycles but I also flattered him a bit". (Inf. 37).

Shop-floor conflicts and tensions also revolved around notions of "dignity", of "respectful" treatment of workers by the foreman, as indicated by the following statements:

"Because the foreman treated us like dogs, he cursed workers. When we arrived to work he did not greet us, he was always right, we were always wrong. (...) A boss cannot be this way, he has to know how to dialogue. "Peao" does not like to be treated this way". (Inf. 26).

"I think that the bosses in the plant in general did not know how to deal with us workers (...). They were very authoritarian and acted as if they owned the plant". (Inf. 33).

It would seem that this type of problem was so recurrent and widespread in the plant, and produced so much conflict between workers and foremen, that higher ranking management acknowledged the situation and tried to change it by creating a Department of Industrial Relations and giving training courses to foremen and senior skilled workers. The objectives of these courses were to improve their management skills and to inform lower level management of the company's formal regulations in terms of workers' rights and duties:

"The creation of a more efficient Department of Industrial Relations with advisers on the shop-floor as well as the role played by the union has constrained the actions of some people inside the plant. It is not as if the company preaches inequality or injustice but some people use their jobs and positions and do unjust things (...)". (Manager no. 3, Industrial Relations Department).

One possible explanation for the survival of "personalist" and clientelist practices among lower level management might be the tight labour market in the company for non-manual jobs. Since the foremen have been in the company most of their working life, this may have allowed the building of clientelist networks based on their seniority and executive

power.

Before closing this section it is important to make one last point. It can be suggested that many of the shop-floor conflicts outlined here were experienced by many workers as "personal" persecution against them by management. Although there are accounts in the interviews in which individuals or small groups of workers presented collective demands to management to change what they believed to be unfair practices, in many cases, workers tended to internalise these conflicts as "personal mischief".

### **1.3. The Sources of Shop-Floor Conflicts in the Period. Bad and Unhealthy Working Conditions**

The second source of shop-floor conflicts in the period was problems over working conditions in the plant. Steel production, together with mining activity, are probably the two most unhealthy working activities which manual workers can engage in. Even if we consider the technological developments and the modernising processes which have occurred from the early days to the present, steel-making continues to be a source of disease and fatal accidents. It is a difficult, uncomfortable and very dangerous type of activity. Toxic fumes, excessive heat, dust and noise, among other things, characterise steel-making as a rudimentary process, extremely damaging to those involved.

There are particular health damaging situations, as well as potentially dangerous working conditions, in each phase of

the process of steel manufacture (19). Furthermore, steel is produced by non-stop shift work because many parts of the production plant must remain in operation 24 hours per day. The blast furnaces, in particular, cannot be stopped without producing a major "melt down". But since it is an integrated system, the other phases of the steel production process are continuously activated as well.

At the National Steel Company, by the 1970s, only manual workers and a very limited number of engineers did shift work. For the latter, a monthly rota ensured that such duty periods did not constitute their main working hours in the plant. The workers, on the other hand, were divided in three blocks of

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19. In the process of coal-making in the coke-oven batteries, there are several unhealthy working areas due to the radiant heat, emission of gas from the coke oven and high levels of noise.

The plants which transform the by-products from the distillation of coal are also a steady source of unhealthy conditions due to the toxic substances which result from the production of naphthalene and especially benzene. Benzolism is the disease which can result from constant and long-term exposure to this chemical. They produce chronic headaches, sickness, irritation of the eyes, throat and respiratory organs and others can cause cancer.

In the sinter plant, the second phase of production, the worst effects on workers' health are related to very high levels of noise pollution, concentrations of dust particles and radiating heat. High vibration levels, the result of the unloading of the sinter, can lead to psychological problems.

In the third stage of production, in the open hearth furnace, one finds the same unhealthy conditions as in the coke batteries such as high concentrations of dust, high levels of noise and vibration. Particularly, the job areas near and around the furnace's "mouths" irradiating heat and harmful chemical agents are threatening to workers' health.

Finally, in the fourth and fifth stages of production - steel-making per-se and the rolling and finishing of steel, respectively - one finds all the unhealthy characteristics quoted above plus great modifications in the "micro-climate" which can generate many different diseases related to the lungs. Source: Stotz, E. "A Companhia Siderúrgica Nacional e a Problemática da Saúde do Trabalhador: Observações Preliminares". 1986 and DIESAT Papers 1988.



shifts. The majority of workers do alternating shifts, all year round.

Although this system of alternating shifts has the advantage of allowing every worker daytime and night time work, its very instability is a source of great stress for the workers in relation to family life and any regular activity outside the steel plant. This is especially true for any type of evening classes or other courses that the workers might wish to engage in. We shall see in Chapter 6, that as the company started to increasingly value formal education, worker's dependency on management in attending night shifts would be a significant arena of conflicts and alleged injustice. Moreover, shifts and night work are a source of various work-related illnesses such as extreme fatigue, stress, digestive and psychological disturbances (20).

Because of the nature of process industries, but also because of the authoritarian type of management, overtime was a constant feature in the plant, indeed, part of the "local culture". It was common in company-town days for management to call on workers in their home, during their free time, to re-start work after some interruption in production. It was also common, even after the decline of the company-town, for workers to stay up to 72 hours inside the plant, sleeping only a few

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20. Notwithstanding all these aggravating problems, workers see two positive qualities of shift work. First, it pays more than the non-shift manual jobs in the plant. Because of the recognised disturbing features of night shifts CLT Law establishes a general 20% increase for the hours worked. Second, workers have "greater liberty" of movement since the disciplinary and supervisory activities are almost completely suspended during night shifts. Source: Article 73, Section IV of the CLT Law. 71 Edition.

hours a day. According to various accounts, the right to demand overtime - either to stand in for absent colleagues or to intervene in emergency situations - was always viewed by management as a prerogative of its power and authority in the plant. This is illustrated in the following quote:

"When I entered the plant ten years ago the most striking thing to me was what the foreman told me. I had just been married but the foreman came to me and said: "You have your appointed time to start your day but there is no appointed time to end it". (...) Because I was a newcomer, every time that there was need for overtime he would call me. My wife would get upset but I was a newcomer and had to do it. I was coerced into doing overtime". (Inf. 25).

A final problem for all workers is the stress bound up with the dangers of work in the plant - both because of the different levels in which work is done, and because of the nature of the materials being transported and loaded. This stress is particularly marked on certain jobs: the "bridge operator", for example, who transports dangerous loads in overhead girded cranes, could, in a moment of absent-mindedness or with a single mistake, cost the lives of many people. As pointed out by two bridge operators:

"It is a job of great responsibility. Accidents can occur. It demands a lot of mental concentration. There are days in which I leave the plant with a headache due to the attention I have got to give all day to the job". (Inf.15).

"It is a very boring and difficult job, bridge operator. He can never fail, he can never relax (...). He can cause serious accidents for those below him. I don't know if you heard of a terrible accident a few years ago with a bridge? Well, it killed some workers!". (Inf. 49).

Although in national terms working conditions may have tended to improve over the years, as knowledge of "labour medicine" has expanded and Ministry of Labour regulations extended the definition of "hazardous working areas" in the

industrial sector, there can be little doubt that working conditions at the National Steel Company were bad. Indeed, company data show they deteriorated significantly after the beginning of the Expansion Plan D. This was the result of two interrelated elements: 1) the marked increase in the number of sub-contracting workers, who did not normally receive any supervision on safety matters nor any protective material (21); and 2) the fact that the construction and assembly of new machinery took place simultaneously with the production of steel, which was not interrupted during this period (22).

In face of the increased number of accidents and the first managerial realisation of a correlation between working conditions and levels of productivity, the company produced a study to assess the level of the problem. It may be suggested that fatal and non-fatal accidents were reduced as a result of a management-led campaign to equip workers with appropriate clothing and protection and a growth in the level of awareness on the issue (23). As table 4.3 shows, there was an overall decrease in the number of accidents in the period 1976-1984.

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21. Between 1971 and 1975 for example, the number of workers employed by sub-contracting firms and working inside the National Steel Company rose from 1,222 to 22,000. Source: Pimenta, S. A Estratégia da Gestão. Fabricando Aço e Construindo Homens. 1989 pages 353 and 497.

22. Source: Annual Report. National Steel Company. 1978 and 1979 and "A Expansão na Companhia Siderúrgica Nacional". 1977 page 2.

23. According to company records, 1976 was considered one of the worst years in the company's history in terms of accidents and 1979 a mark in the company's emphasis in the prevention of accidents. Source: Realizações e Perspectivas 1974-1990. 1984 page 27.

Table 4.3

Number of Accidents Among Steelworkers Employed by the National Steel Company, 1976-1984

Year	Number of Fatal Accidents	Index-Number of Accidents with Loss of Work Time. (1976=100)	Index-Number of Accidents without Loss of Work Time. (1976=100)
1976	n/d	100	100
1977	n/d	96	94
1978	n/d	80	79
1979	3	66	72
1980	4	68	58
1981	1	23	39
1982	2	23	29
1983	3	19	21
1984	4	25	19

Sources: "Realizações e Perspectivas 1974-1990". National Steel Company. 1984 and Bulletin from the Health, Safety and Medicine at Work. National Steel Company. 1989.

However, despite the emphasis on safety, the company made no reference to any attempt to reduce or even eliminate dangerous jobs and working areas (areas de periculosidade), nor to improve the general welfare of workers. The bathrooms, toilets, eating areas and general environmental conditions were very bad (24). This was so even by the standards laid down by the Regional Labour Office, which after an inspection of the plant demanded immediate improvements in conditions.

Because of the company's financial crisis at that time, however, substantial investments in general working conditions were simply postponed, expressing the low priority that the company attached to this area as well as the lack of pressure from the bureaucratic union leaders during the 1970s.

Another important development in the period in the area of health and safety conditions, was the creation by the Ministry of Labour of the CIPA - Comissão Interna de Prevenção de Acidentes (Internal Commission for the Prevention of Accidents). This was most probably a response by government to Brazil's bad comparative record on accidents at work and the pressure exerted by the ILO for an improvement (25). The CIPA was organised on the basis of workers' and management representatives, who were to work closely together and share responsibility for dealing with health and safety issues inside

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24. For more details see Pimenta, S. Op. cit. 1989 page 356.

25. For more details on Brazil's bad record and an analysis of the problem see Costa, N. et al. "Diagnostico das Condições de Trabalho e Saúde" in Saúde e Trabalho no Brasil. IBASE. 1982 and Costa, M.R. As Vítimas do Capital. Os Acidentes de Trabalho. 1981.

industrial plants (26). The main objective of the creation of the CIPA was to reduce the number of accidents and to improve the dangerous and unhealthy working conditions in plants. Although the CIPA was created by a government directive in 1978, it only really began to take effect at the National Steel Company in 1980, and even then with very limited scope. I will show in the next chapter that as shop-floor began to organise and the "new unionist" movement spread its influence, workers started to use the CIPA as a "militant" instrument to further their organisation and to improve working conditions in the plant.

As already pointed out in Chapter 3, the main characteristic of workers' struggles in the 1940s and 1950s at the National Steel Company was their attempt to make the company recognise the rights granted by the CLT Law. This was also the pattern in relation to working conditions. The union, at that time, tried to make the company recognise certain "health hazard areas", for example, so that the appropriate bonus could be paid out to workers. Before the birth of greater mobilisation and militancy in the plant, however, the problem

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26. Among the responsibilities of CIPA representatives, it was expected that they would: suggest measures to the employer for the prevention of accidents; disclose and promote the need for workers to observe safety regulations; promote activities for preventive safety; promote once a year a "Week for the Prevention of Accidents at Work"; investigate in conjunction with technical bodies the causes and circumstances of accidents at work as well as professional illnesses; and finally promote a monthly meeting with workers on the shop-floor, to be held during regular working hours, to discuss health and safety issues. The CLT articles dealing with the regulation of the CIPA are: Articles 163, 164 and 165 and the Complementary Norms to CIPA numbers 523 and 524 in CLT Law. Source: CLT Law. 1986 Edition pages 38, 695 and 696.

of working conditions was generally dealt with by workers at quite an individual level, by suing the company under the Labour Code for accidents at work or the emergence of work-related diseases (27).

Based on information from historical accounts, it is possible to say that the issue of dangerous and unhealthy working conditions was not a clear-cut political issue for first-generation workers at the National Steel Company (28). Owing to their particular insertion in the plant and the characteristics of their identity as workers, they tended to "naturalise" the bad working conditions as an inevitable consequence of autonomous steel production in the country, and did not attempt to engage the company in altering these conditions. Moreover, up to the 1970s there were no programmes for the prevention of accidents, nor was the use of protective uniforms facilitated.

In the 1970s, however, as a new generation of workers emerged, issues connected with job safety and general working conditions became a source of progressively greater concern among workers and a platform around which they began to

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27. The use made by steelworkers of the Labour Courts regarding health and safety issues in the 1980s is discussed in depth in Chapter 8 of this thesis.

28. Morel, R. A Ferro e Fogo. Construção e Crise da Família Siderúrgica. 1989 pages 340-344 and 473-474; Pimenta, S. op. cit. pages 140-141; and Veiga, S. and Fonseca, I. Volta Redonda Entre o Aço e as Armas. 1990 pages 33-42

organise and channel their demands (29). This change in the level of awareness about long-term health effects might be related to the general increase in workers' level of education and information, as compared with the situation in the 1940s and 1950s. However, before the birth of mobilisation and militancy in the plant, the problem of working conditions was dealt with by workers at quite an individual level. Before the emergence of the "new unionist" movement, workers' resistance to bad working conditions was limited to the use of a provision in the Labour Code whereby they could sue the company for accidents at work and/or the emergence of work related diseases and demand for compensation.

## 2. The Emergence of the "Union Opposition" and the Changing of Union Government

### 2.1. From Bureaucratic Unionism to the "New Unionist" Union

As already observed in Chapter 3, the Metalworkers Union was created in 1946 under the influence of corporatist "unionisation campaigns". Based on the union tax and some material support granted by the company such as the donation of a piece of land for the office, the union was able to begin

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29. In a survey commissioned by the company in 1983, for example, Souza and Abranches found that among a group of 552 interviewed manual workers inside the plant, 78,5% considered themselves permanently exposed to dangerous and unhealthy working conditions in their department. Souza, A. and Abranches, S. "Integração Social e Relações de Trabalho na CSN. A Negociação Coletiva de 1983". Relatório final de Pesquisa. IUPERJ. 1983.



establishing a "welfare service" apparatus, in accordance with the role attributed to the corporatist union. Medical, dental and legal services, among others, were offered to workers. We have seen in Chapter 3 that the union was not completely acquiescent during the 1940s and 1950s and led some important struggles over the recognition of the rights granted by the CLT Law. But the union government during this period could be defined as a bureaucratic: not only did the union go along with the corporatist principles and organise according to the rules set out by the Ministry of Labour, but it also played down direct militancy and organisation of workers (30).

The first free election for the Metalworkers' Union executive only took place in 1952. The two most organised political forces in the period were union candidates linked to the Partido Trabalhista Brasileiro (PTB) and the Partido Social Democrata (PSB). The union executive was dominated by one or other faction, at various times (31). The Brazilian Communist Party (PCB) had a less organised base, but was able to compose a slate in partnership with another union faction in 1955. It held office on the union executive from 1955 to 1957.

From 1957 to 1963 the union was directed by an executive linked to the PTB, with very strong ties to the populist government of the period. The appointment of Joao Goulart as Vargas' Minister of Labour (1953) opened up concrete channels

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30. For a thorough discussion on the reasons for lack of strikes at the National Steel Company in the 1940s, 1950s and 1960s, see Morel, R. Op. cit. 1989. pages 394-396.

31. For greater detail of the union executives during this period see Centro de Memoria Sindical 1989, pages 37-42 and Veiga, S. and Fonseca, I. 1990 pages 33-42.

for the participation or influence of union leaders in the government. Morel (1989:135) has suggested that this national policy of close links between government officials and union leaders, together with the fact that the National Steel Company was a state-owned company, opened channels for the local union leaders to address their grievances directly to central government and some power to see them conveyed (32).

In 1963 candidates from the Communist Party and the JOC - Juventude Operária Católica (Catholic Proletarian Youth Organisation) made an alliance to run for office and won, breaking with the power base of leaders from the PTB. According to the Centro de Memória Sindical (1989:45) the victory of the communist slate was bound up with the nationwide polarisation of the time and the increasing weight of the left-inspired CGT in national politics. According to the same source, the group which took office in the union in 1963 was linked to the most combative faction inside the CGT at the time. The Military Coup of 1964, however, rapidly demobilised this emerging movement. The union suffered Ministerial intervention, its leaders were imprisoned and later dismissed by the company.

From 1964 up to 1968 and then from 1968 to 1973, following a nationwide pattern, the Metalworkers' Union remained under Ministerial intervention. That meant that the union executive was held by an "intervenor" nominated by the Ministry of Labour. Although the union tax continued to be charged, the union existed to provide welfare services for its members and

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32. For a debate on the "contradictory" character of populist politics, see Weffort, F. O Populismo na Política Brasileira. 1978 and the Introduction to this thesis.

acted much more as a workers' social club. Finally, in 1973 free elections were held for the union executive. By this time the former leadership had retired from public life and no new generation had had the chance to emerge. Only one group, led by Waldemar Lustosa - a National Steel Company employee but with no clear political links or background - put itself forward as candidates. At first Lustosa's group counted on the backing of the progressive Catholic groups which were giving support to the emerging social movements in Volta Redonda (Centro de Memória Sindical 1989:57), but this was soon withdrawn.

The union regime under Lustosa's leadership might be defined as typically bureaucratic, similar to many others that developed after the 1964 coup. Welfare services had priority over militancy. Political activism was not only not welcomed but was consciously played down. According to sources (Veiga and Fonseca 1990:47-48 and Centro de Memória Sindical 1989:59), Lustosa did not take up workers' grievances with management and was happy to sign the Annual Work Agreements without any discussion with the rank and file on any significant matter. With the exception of two innovative clauses - the length-of-service bonus was reduced from every five to every three years, and a wage bonus of 12,5% was obtained in the 1979 agreement - the workers were only granted what the company thought appropriate.

In fact, according to a company manager, the number of grievances was so low under Lustosa's administration that the company seemed to have more initiative than the union director himself:

"We started having a very good relationship with the union under Lustosa. In our annual negotiations we started proposing clauses to give prestige to the union president. We would say: "ask for this and the company will grant it". How many times I called the union's president and told him that, to look as if it were an action from the union, not a proposal from the company. The workers' complaints were sometimes very just so we would put them as a grievance produced by the union, to give Lustosa prestige and make him stronger in the union" (company manager, cited from Pimenta 1989:520).

As already discussed in Chapter 2 of this thesis, the structure of the Labour Code with the compulsory union tax protected the bureaucratic union leaders from any threat of being expelled from office because of their non-representativeness in relation to the rank and file. Moreover, the heavy investment of union funds in welfare services allowed for the construction of clientelist networks of favours and privileges which benefited some of the steelworkers. The survival of this leadership was also the result of a very common practice among bureaucratic unions of the period, namely the steering of union resources to the group of retired workers. These retired workers maintained their voting rights and could thus provide the necessary quorum (stipulated by the Ministry of Labour) at union meetings and elections.

It can be suggested that at least part of the group of older workers with no previous political experience tended to identify more closely with the bureaucratic leaders than with the younger, emerging "Union Opposition Group" (33).

It can also be suggested that Lustosas' three consecutive

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33. It should be noted that this was not the case of all retired or older workers. A very important exception, for example, was an older retired worker called Jose Emidio, who became one of the leaders of the "Union Opposition Group" when it emerged in 1979.

terms of union office (1973-1975, 1975-1978 and 1978-1980) were due not to any real support from the rank and file but to the lack of real alternatives, together with a general demobilisation and hopelessness experienced by the rank and file in the period. As discussed in Chapter 2, the period between 1964 and 1968 saw heavy government repression against any form of social movement or popular dissent.

This situation really started to change from 1978/1979 onwards with the birth of the "new unionist" movement at national level and the emergence of the "Union Opposition Group" at the National Steel Company.

## 2.2. The Emergence of Social Movements in Volta Redonda and the Birth of the "Union Opposition Group"

The date of the birth of the steelworkers' "Union Opposition Group" was not agreed by the informants. For some, the movement dates back as far as 1977. However, I have chosen the year 1979 as a landmark because it was only then that larger meetings were called and the "Opposition Group" as such, started putting pressure upon the union executive headed by Lustosa. Although there are some accounts by workers of collective actions before 1979 at the National Steel Company, it is difficult to see in them the kind of consistent movement that developed after 1979.

The "Union Opposition Group" was born when a group of steelworkers from the National Steel Company and a few from other companies came together to contest Lustosa's leadership.

At first this movement was a clandestine one in which steelworkers would meet outside company premises. The fear felt by workers of being discovered as a "Union Opposition Group" was not groundless. Since the military coup in 1964, the Metalworkers' Union and local politics had suffered severe casualties. Volta Redonda had been declared an area of "national security", which meant that no legislative elections could be held and that the town's mayor was nominated by central government (34).

Inside the National Steel Company, many of the company directors, especially between 1964 and 1977, were military men with experience in state-owned companies and/or in the steel industry. The Department of Security at the plant was also in charge of "political vigilance". Furthermore, during this period of political repression, any new employee was obliged to produce what was nationally known as an "ideological certificate" (atestado ideológico), which was obtained from police headquarters, attesting that the job candidate had no left wing political past and had never been imprisoned.

The progressive Catholic Church played a very important role in the beginning of the "Union Opposition" movement. Since the movement faced open opposition from the union leaders in office at the time and its members tried to remain unknown to company management, the Catholic Church offered a valuable

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34. The town of Volta Redonda was considered an area of "National Security" from 1964 up to 1984. According to government and military sources, this special status was due to the presence of the National Steel Company and its strategic importance for the country. Source: Jornal do Brasil, May 19 1985.

meeting place as well as moral and material support (35).

According to statements, the major turning point in the further organisation of the steelworkers' "Union Opposition Group" was the 1979 strike of 12,000 "expansion workers" (ie, those workers employed by sub-contracting firms to engage in the expansion programme). The three-day strike started as a protest against rotten food which had been served to them at lunch and developed into a violent protest. According to the accounts, it ended with complete repression by the police and the killing and imprisonment of workers. Despite the large numbers of "expansion workers" involved, none of their demands were granted. Most probably this was because of their fragile organisation and employment position, and because the onset of economic recession in the country was slowing down of the expansion programme. Nevertheless, the revolt and the strike

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35. Although the practice of non-exclusive clerical activity of the Catholic Church in Volta Redonda dates back as far as 1940 when the Catholic Workers' Circle (Círculos Operários) were founded, the major change in orientation came when Bishop Dom Waldyr Calheiros took office in 1966. Inspired by the work of the progressive group inside the Catholic Church in Brazil, Dom Waldyr encouraged the formation of CEBS - Comunidades Eclesiásticas de Base (Grass-Roots Ecclesiastic Communities). CEBS were organised in many of the parish churches in the boroughs of Volta Redonda and neighbouring municípios and provided both spiritual support and a forum of discussions of everyday problems. As in many other cities in Brazil, with the advent of political liberalisation and the slow re-organisation of civil society in the country, the CEBS played a significant role in the political education of Catholics and the gathering of material support for the labour movement. Although the relationship between Church, partisan and union politics is a problematic issue and many Church leaders have been strongly repressed by the Pope in Rome, the social movements and the progressive Church have grown together over the years. For more details on this history see Lima, L. "Notas Sobre as Comunidades Eclesiais de Base e a Organização Política" in Alternativas Populares da Democracia. Alvaro Moises, J. et al. editors 1982.

has an important symbolic message, it broke with the predominant atmosphere of fear experienced by the organised movements and wider population in Volta Redonda after 1964. It showed that some form of resistance was possible. Although the expansion workers' strike was not directly aimed at the National Steel Company management, but at the sub-contracting firms, the former company was also implicated for having allowed such poor working conditions and low levels of pay in its premises.

After this strike an "Opposition of Workers from the Civil Construction Industry" was created, and there was a further tightening of links between dispersed workers who came to be organised in the "Union Opposition Group". Yet another important sequel was the formal emergence of the Workers' Pastoral (Pastoral Operaria) based in Dom Waldyr's diocese and linked to a nationwide movement of the organisation of manual workers (36). Because of its close-knit, grass-roots base of the Worker's Pastoral and its provision of material support, the Workers' Pastoral played a significant role in the nationwide emergence of "Union Opposition" groups at the end of the 1970s (37).

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36. While the CEBs are organised at the level of the workers' locality and involve a social movement related to urban issues and problems, the Workers' Pastoral is an attempt to penetrate into the arena of work. Pastoral participants are given encouragement to meet and talk about their work problems at the same time that they read and discuss religious texts.

37. For an innovative and detailed analysis of this relationship see Meszaros, G. 1991. The Catholic Church and Trade Unions in Brazil: A Case Study of the Relationship Between the Dioceses of Sao Paulo and Santo Andre and the Metalworkers of Greater Sao Paulo: 1970-1986. PhD Thesis. LSE. University of London.



### 2.3. The 1980 and 1983 Union Elections and the Transition of Union Governments

The "Union Opposition Group" emerged out of systematic meetings between a number of manual workers from the National Steel Company, most of whom had some sort of experience in the grass-roots movements such as the Workers' Pastoral, or political parties participation such as the Party of the MDB. As I will show in the following section, however, the increase in the level of participation of common workers in the "new unionist" movement only took place on a widespread scale, during and after the developments of the first strike in the plant, in 1984.

The initial meetings were held twice weekly at a local Catholic Church and in many ways followed the dynamics of the CEBs. Everyone was encouraged to speak up and the agendas consisted of very concrete, day-to-day problems faced in the plant:

"We started meeting outside the Church doors, in Retiro. Then we started meeting in the parochial room, in the back of the Church. We would meet twice a week.  
-How many of you were there in the beginning?  
Oh, it varied between 12 and 15. The days we had 20 it would be like a party because everyone would be very happy. But it was this small group, almost as a mad thing, because we had nothing to back us and a lot against us. We would have to gather money from our own wage, to print things and pay for expenses (...)" (Inf. 19).

It is worth noting that this local "Union Opposition" movement felt supported by the emergence of similar groups elsewhere in the country and by the general rise of the union

movement since 1978 (38). The tactic outlined by the "Union Opposition" was carefully to seek sympathisers inside the plant, but with a very low profile of activity because of the concrete threat of lay-offs and management reprisals. At the time the "Opposition Group" started putting pressure at meetings called by Lustosa, in the Metalworkers' Union, to establish the 1979 agenda for negotiation of the Annual Work Agreement. According to accounts, Metalworkers' Union officials were surprised by the emergence of the "Union Opposition Group" and the radical challenge to their hitherto undisputed policies:

"Firstly we started to attack at the meetings at the union, during the elaboration of the 1979 agenda. We would spread ourselves out in the meetings and have previously chosen people to speak, stimulate claps and put forward our proposals. But what would happen would be that Lustosa would not take our deliberations to the company, but would change them before he met with management. It was ridiculous. The Opposition would then denounce these actions. At this time we "went public", we started producing a bulletin and distributing it to workers inside the plant. This was a time when other "Union Opposition Groups" were on the rise in the country. We had for example, contact with Rossi, who was the leader of the Metalworkers opposition in Sao Paulo". (Inf. 20).

According to accounts by informants, the major turning point in the local union politics was the June public assembly, which only took place after the "Opposition Group" had to put pressure on Lustosa. This assembly was attended by 12,000 steelworkers, from the National Steel Company and sub-contracting companies, something never seen in Volta Redonda, even before 1964. After that assembly, a committee was elected to take part in direct negotiations with management, for the

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38. For more detail on this period see Chapter 2 of this thesis.

drafting of the agenda for the 1979 Annual Work Contract. This committee was composed of union leaders from the executive of the time and members of the "Union Opposition". This was a new and significantly procedure in the union's life and illustrated the type of proposals put forward by the "Union Opposition Group". The public meeting also inaugurated a practice which became a trade mark of the "new unionist" movement: namely mass meetings of the rank and file that took decisions by direct, on-the-spot voting.

The 1979 agenda included, for the first time since 1968, clauses on wage increase above the government-imposed limits and also took up the conditions of work, the problems of "management despotism", control over the amount of overtime, and a ban on continuous shift work. Another committee formed by management, workers and the Regional Labour Office was to study the extent of hazardous and dangerous working conditions in the plant and to propose solutions (39).

The agenda proposed by the "Union Opposition" indicates the closeness of the emerging leaders to the rank and file and their knowledgable of the main shop-floor conflicts and demands. It would seem from the accounts that, alongside these immensely significant issues, the most mobilising proposal in the 1979 agenda was what came to be known as the "struggle for the six to two". The widespread discontent felt by workers on this issue guaranteed success for the "Union Opposition".

Up until 1979 workers who did shift work, worked seven

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39. Sources: Pimenta, S. Op. cit. 1989 page 524 and Centro de Memória Sindical. 1989 page 57.

days and rested one, this was called "seven to one". The "six to two struggle" was an attempt to limit their working week to six days and increase their free time by one day, paid by the company. The following account shows the extent to which, the "six to two" issue was a major mobilising force among the steelworkers at the time:

"(...) we do not know how the workers became so mobilised, we do not know, it was a phenomenon, a kind of a wave, a wave around the shift "six to two". It was a campaign led by the "Union Opposition". There were meetings in the Church in Conforto during mornings, evenings and nights. This issue really put a lot of workers together. The company felt that for the first time since 1964 the plant could stop. Although we were not proposing a strike, the mobilisation was so extensive that we felt that the plant could stop, had such proposal been put forward" (Juarez Antunes, February 12 1988).

Although the company did not grant the majority of the clauses proposed in the 1979 Annual Work Agenda, it did give in on the "seven to one" and this became a major incentive for the work of the "Union Opposition Group" to continue and expand (40).

The whole experience of the "1979 Work Agenda" had brought together workers from different backgrounds, some of whom emerged as figures hitherto unknown to the organised "Union Opposition". This was particularly the case of Juarez Antunes, a senior furnace worker in the SM steel-making plant who had never been organised but had great potential as an orator and charismatic leader. As one informant put it:

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40. According to a document written by the "Union Opposition", the massive public assembly for the 1980 "Annual Work Agreement" put pressure upon company management who granted the "six day working week" and a wage increase superior to the index proposed by the Government. There is no reference to the index itself. Source: Slate 3, The "Union Opposition's" Programme. May 1980.

"We did that Assembly in June 1979, with 12,000 workers. There was a possibility of a strike, but we the Opposition did not wish to take it much further. It would be an unorganised strike. We saw that workers were mobilised. Juarez appeared for the first time at this Assembly. He had worked at the plant for many years but he was neither from the Labour Department of the MDB, nor from the Church, nor from anywhere else. He says that in his department there was a lot of struggle but it was nothing very organised. He spoke in public for the first time at this Assembly and spoke very well". (Inf. 22).

Not only had Juarez never been ideologically linked to any left wing group; he actually had a certain hostility towards politically organised groups. Although Juarez affiliated to the Workers' Party in 1980 and then broke with the Party and affiliated to the PDT in 1983, he was reluctant to behave as a party member and usually followed his own political orientation. This "individualist" behaviour, a hallmark of his union leadership and political life in the years to come, would become one of the major issues around which political and ideological disputes revolved in the union. For Juarez and his followers, he was a man of charisma and independence. For his critics, he was a personalist figure who invested very little in workers' long term organisation. This difference in assessment was already present when a slate was being drawn up to contest Lustosa's leadership in the union elections of 1980.

As far as I know, there were three competing slates for the 1980 union elections. Slate Number One, headed by Lustosa, proposed a continuation of the union administration of the time. Although there was a growing challenge to Lustosa as the workers' mobilisation grew and support for the "Union Opposition" spread, he still had some support among retired workers and older employees at the plant.

Slate Number Two was formed by Jair who was then one of the general managers in the company's Personnel Administration. Originally a manual worker, he had worked his way up the ladder and was now in a job holding great power and status inside the company. I will return to Jair later on. His slate was described by some workers as the "company's slate" because of his close links with company management. Although it might appear that there were significant similarities between slates one and two, Jair was also critical of Lustosa's union administration.

Slate Number Three was formed by the "Union Opposition", who came together to propose an alternative government of the union. The Opposition's Programme contained three sets of issues: 1) those directly related to problems faced by workers from the National Steel Company and FEM, its subsidiary; 2) issues related to workers from other companies and sub-contracting firms (41); and 3) issues of a more general "working-class" nature, as the programme put it which depended on national mobilisation and structural political change.

Among the many issues concerning workers from the National

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41. Among the many issues addressed to the categoria of metalworkers which the union legally represents, the following seem the most significant:

- . granting by the companies of a "unhealthy working" bonus for all workers of all departments
- . creation of a workers' committee at the departmental levels, in all firms, directly elected by workers with a one-year mandate.
- . wage increases above the cost of living.
- . same job/ same wage principle.
- . the creation of the unemployment benefit.

Steel Company, the most significant aspect was that they were closely related to shop-floor problems, particularly what workers called "management despotism" and problems of dangerous and unhealthy working conditions.

Among the grievances related to the working-class at national level, the most significant aspect of the platform was its questioning of the corporatist system and its proposal to break with the labour code in force. The issues raised were, among others:

- . unrestricted right to strike and abolition of all restrictive legislation and the creation of a strike fund.
- . autonomy of the union and abolition of the union tax.
- . for the right to direct negotiations between workers and management.
- . stability of employment.
- . the 40-hour working week.
- . an independent union, of grass-roots base, representative and democratic.
- . the creation of the workers' central.
- . liberty of organisation, mobilisation and manifestation of all workers (42).

This electoral platform suggests that the identity of the "Union Opposition Group" derived from the ideas of the "new unionist" movement, which had emerged nationwide by that time. This was apparent not only in the "Opposition's" questioning of corporatist relations but also in its form of organisation and its local platform. The "Opposition Group" emerged from the shop-floor and gave high priority to shop-floor issues that were seen as major problems by steelworkers.

According to my interview sources, the "Union Opposition" group in fact won the 1980 elections, but the fraudulent

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42. Source: "Union Opposition - Slate 3. Programme of Struggle and Platform of Immediate Action". June 1980.

practices of the group in power, enabled Lustosa to remain in office for three more years. Although there is a strong possibility that fraud might have occurred, there is also another possible explanation for the "Opposition's" defeat in 1980. According to a critical view of this process (Veiga e Fonseca 1990:49), the "Opposition's" defeat underlined the need to deepen its participation inside the company as well as in other companies in the municipios that the union represented at the time. The "Opposition Group", it was argued, needed to be better prepared to face the strong and hostile response from the bureaucratic union leaders. This in fact was a lesson learned by the "Opposition", as I will show below.

After the 1980 defeat, the "Opposition Group" intensified its work at the National Steel Company on the shop-floor, with innovative practices such as the production of daily or weekly bulletins on workers' day-to-day problems and the exposure of many irregularities inside the company. Campaigns against cases of "management despotism" as they called it, and for unionisation, helped to create an environment of mobilisation not previously seen in the plant. As described earlier, the "Union Opposition" sought to step up its shop-floor and grass-roots activities:

"We worked by departments and sectors, usually at lunch time. We tried to tell people of our campaign, that it was time to change the union, that the practice had to change. We distributed bulletins made by us and had a monthly newspaper called "A Verdade" (...) that is, when we had money enough because we had to put in money from our own wages. The idea we had was to change the union' executive, which should work for the categoria and not for their own benefit. We would try to obtain gains for the workers way beyond what was obtained in the past". (Inf. 19).



In 1982, the year of first election campaign since the Political Party reform, the Workers' Party participated actively in the elections for state and federal deputy (43). In Volta Redonda, Juarez and two other members from the Workers' Party were presented as candidates for deputy, after many local conventions. Although no candidate from the PT won, it was an important experience for the "Opposition" and helped to build the mobilisation of workers around them (44).

In 1983 the time came for new elections to the union executive of the Metalworkers' Union. Five different slates were presented. Company management responded to the growth of militancy in the plant and in the union by trying to fuel disputes among workers and by supporting non-militant slates for the union elections. The slate headed by Jair in 1980, and unofficially supported by the company, presented itself once

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43. For more details about national politics in this period and the birth of the Workers' Party, see Chapter 2 of this thesis.

44. The 1982 elections were held after the political party reform, in a conjuncture of political liberalisation albeit with a military figure as the country's president. The 1982 elections were for governor, senate, federal and state deputies as well as "vereadores" (town council representatives). According to the Regional Electoral Tribunal the voting pattern in Volta Redonda for the 1982 federal deputy elections was as follows:

<u>Party</u>	<u>Number of Votes</u>
PDS	25.478
PDT	23.587
PMDB	18.223
PTB	7.909
PT	6.033

Although the PT came last in absolute numbers, two PT candidates, Jose Emidio (a leader from the "Opposition") and Genival da Silva, received two of the highest votes.

Source: Data collected in Regional Electoral Tribunal. Rio de Janeiro.

again in 1983. The company's creation of its first Industrial Relations Department may also have been a response to the growth of the union movement in local and national terms (45).

Workers from the "Union Opposition", who had by now extended their roots among steelworkers at the National Steel Company and other firms kept up their mobilising activity as part of the campaign to defeat Lustosa in the 1983 elections. However, the conflict between two different views within the "Opposition Group" became so accentuated at this point in time that the "Opposition" divided in the process of slate formation, on programmatic issues.

Both groups from the "Union Opposition" were linked to the Workers Party (PT), but whereas Slate Four had a strong component of workers from the Church Movement and other left wing organisations, Slate Five, around Juarez Antunes, was strongly anti-Church. The workers who composed it considered themselves "independent" activists, not linked to any left wing organisation, despite their membership of the Workers' Party (Veiga and Fonseca 1990:50).

According to a representative of Slate Four:

"Since Juarez could circulate in the plant, he would take the "Opposition's Newspaper" all over the plant. He became known and assumed the head of the "Opposition" movement. Then, we wrongly evaluated the situation in the 1983 elections. We said: we, who are the most organised, we, who have the greatest number of militants, will win this election. He (Juarez) is individualist and personalist, it is not that he is a "pelego" but he is not in agreement with our methods of work. Our method is to invest in the workers' shop-floor organisation. He does not invest

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45. Interview with Company management number 3.

in that. So the opposition split. The people who remained with Juarez later became a new opposition to the union. Juarez and others became Slate 5 and we were Slate 4.(...) We knew he was popular but we thought he would lose the election and we would win, since we were the ones with the militants and activists. But slate 5 won, with 70% of the votes". (Inf 22).

According to Juarez, his main dispute with Slate Four was the that it included people from the Catholic Church:

"That "Opposition" was a Church type of "Opposition" (...) I have always led a life independent from the Church and I did not want anything to do with them (...). I think that there are a lot of people who are not linked to the Church movements and lead the struggle better than those from the Church" (Juarez Antunes interview, February 12 1988)(46).

It can be suggested that Juarez won the first ballot because of his charismatic leadership and the type of publicity surrounding him when he engaged in the 1982 elections and ran for deputy.

According to Juarez, although the opposition had split, an agreement was signed on his initiative, between Slate Four and Slate Five. This stated that if a second ballot should be necessary because of insufficient turnout and if one of the "Opposition" slates should be better placed, the other would withdraw from the election so as to strengthen the other "Opposition" group's slate.

Although Juarez Antunes' slate won the first ballot, the quorum of voters was allegedly insufficient and new elections

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46. It seems that Juarez Antune's strong antipathy for the Church was reciprocated. In an article on Dom Waldyr's support of the social and labour movements in Volta Redonda, it is stated that his main problem with Juarez was his personalist and centralising type of leadership. Source: Jornal do Brasil, December 11 1988.

were held. In the second ballot, a few days later, the "Opposition" denounced widespread fraud and called on the Ministry of Labour to look into the problem (47). After a third ballot was called by the Ministry, the slate headed by Juarez eventually won the 1983 elections (48). By the time of the second ballot, Slates Four and Five had come together as originally agreed and were trying to react to the intense pressure put upon the workers from the "Union Opposition Group".

Despite the hostility, threats and fraud, the "Union Opposition" slate won the executive of the Metalworkers' Union

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47. According on a long report prepared by the "Union Opposition" on the events of the 1983 elections, all sorts of irregularities had been practised by the Lustosa administration throughout the campaign. Most seriously, however, the report states that ballot boxes were violated and that the "Opposition" was not allowed to check the signatures of the election panel which should be printed on the back of each ballot paper, attesting to its authenticity. It is alleged that during the second ballot the behaviour of the local representative of the Ministry of Labour - who by law had to be present during Union elections - was of complicity with the irregularities.

Finally, during the third ballot not only did the "Opposition" group organise itself better, putting a greater number of sympathisers to control the ballot boxes but, higher ranks of the Ministry of Labour were called in to check the counting of votes. Source: "Report - Union Elections in Volta Redonda". 1983.

48. It is worthwhile noting the extent to which the Ministry of Labour encircled and constrained union activity at the time, and at the same time worked as a legitimising force in a context of ruthless political competition such as the behaviour of Lustosa's slate. The fact that the "Opposition" group which questioned the labour code and wanted it changed, had to rely on the Ministry of Labour to protect its victory against fraud, seems ironic. At the same time, the Ministry of Labour, through its institutional regulations, had to support the "Opposition's" claim even though Ministry representatives might have wanted the victory to go to the pro-status-quo slates.

by 7,060 votes to Lustosas' 1,969 and Jair's 103 (49).

#### 2.4. The "New Unionist" Government of the Union

The "Union Opposition" took office as the executive of the Metalworkers' Union on September 9 1983 (50). The majority of the workers who made up the union executive were young workers, with little political experience and no participation in pre-1964 unionism. The disputes among the two factions within the "Opposition Group" which had led to the split during the union elections, were temporarily left aside. The new union officials tried to implement a type of union government in marked contrast to Lustosa's bureaucratic unionism and inspired by the

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49. Source: Hand-out from the Metalworkers Union of Volta Redonda. 1983.

50. The union executive by post and company of origin in 1983 was as follows:

Union Executive Posts and the Names of the Companies of Origin of the New Executive Members

<u>Main Posts</u>		<u>Deputy Posts</u>
President	CSN	CSN
Secretary	CSN	CSN
Treasurer	CSN	Barbara
Social Director	CSN	CSN
Adm. Director	CSN	CSN
Judicial Director	CSN	SAUDADE
"Grass Roots" Director	CSN	CSN
<u>Fiscal Council</u>		<u>Deputy Posts</u>
CSN		CSN
CSN		CSN
CSN		CSN
<u>Federation</u>		<u>Deputy Posts</u>
FORNASA		CSN
SAUDADE		CSN

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Source: Data Collected from the Metalworkers' Union. 1988.

"new unionist" movement.

Issues of active shop-floor participation and rank and file mobilisation were high on their agenda. The campaign for "unionisation" was expanded further. An "agit-prop" policy to publicise the new board of directors and mobilise metalworkers was initiated. Union directors bought a "talking lorry" to circulate near the gates of National Steel Company and other metallurgical firms. The union started producing three bulletins a week and a monthly newspaper. Many of the new union directors would go to the company's gate at the beginning of the shifts to talk to workers and establish close contacts (51).

Despite the changes in the union regime, it was not easy for members of the "Union Opposition" to assume control of the Metalworkers' Union. Not only were they faced with a complex and expensive administrative system, but they were greatly limited by their own inexperience. Although one of the "Opposition's" main objective was to change the bureaucratic mode of running the union, this demanded knowledge and expertise. By this time the Ministry of Labour had somewhat reduced the regulations on union administration, but the union still needed to follow many bureaucratic procedures in response to the Ministry's demands (52).

A further problem facing the new union executive was how to articulate two interrelated priorities. One of these

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51. Sources: Veiga, S. and Fonseca, I. 1990 page 51, and interview with steelworkers, Informants 2 and 22.

52. On the types of demands made by the Ministry of Labour see details on the corporatist union in Chapter 2 of this thesis.

priorities was to change the union administration so that it was less a provider of welfare services and more politically active and militant. Another priority was to increase the leaders' own representativeness and to encourage a militant and active participation by the rank and file. These were challenging objectives and they faced a number of internal and external constraints.

According to one source, for example, when the "Opposition Group" took office the union employed a staff of 170 people, of whom 20 were dentists and 30 were doctors. The others were lawyers, secretaries and accountants. This large staff committed the union's finances heavily. According to the same source, the executive's long term objective was to reduce the union staff by 50% (53).

One month after taking office, the Metalworkers' Union affiliated to the newly created CUT - Central Unica dos Trabalhadores. This marked a more left wing orientation of the union. Later in this period, Juarez Antunes became a member of CUT's top executive committee, together with Lula, Jacob Bittar and other leading nacional labour figures.

When the "Union Opposition" took office, more than 50% of its executive board continued to work as steelworkers in the National Steel Company. This behaviour marked a strong contrast with the former bureaucratisation of union officials, closed in their offices with little or no contact with the shop-floor. As the new union administration had not yet won any organisational guarantees from management, there was no legal provision for

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53. Interview with a union adviser. January 1990.

either intermediate level leadership or for union representation on the shop-floor. Since the new union leaders gave priority to the development of close links between rank and file and union leaders and the contact with the shop-floor as a fundamental characteristic of the new union government, the new leaders opted to continue working whilst they carried out their duties as union officials.

### 3. The 1984 Strike

#### 3.1. The Build-Up to the 1984 Strike

After only one month in office, the new union administration was presented with an issue which generated a high level of mobilisation among the steelworkers from the National Steel Company. This issue was the government's withdrawal of many rights held by state-owned employees.

Decree-Law number 2036 established that workers employed after June 28 1983, would no longer be entitled to the following rights: 1) the time-in-service bonus of 15% which had been granted every 2 years; and 2) a series of bonuses and premiums such as the "giraffe" which was paid as an extra wage, once a year.

At the same time, against a background of economic crisis in the country, Decree-Law 2037 reduced the budget of state-owned companies by 20%. Union leaders considered that these two decrees would put further pressure upon workers' jobs and undermine the possibilities of obtaining improved benefits or



wage increases (54). Moreover, the creation of differential benefits among the steelworkers' group could have the effect of politically splitting the workers into two distinct blocs.

A series of union handouts, indicates that the new executive called on workers to attend a number of mass meetings to discuss the new situation created by these decrees (55). Workers were also invited to attend smaller types of meetings in the union building, geared to different departments and work schedules at the Getulio Vargas plant. As far as I know, although the number of workers attending informal shop-floor meetings at the union had grown, since the time of Lustosa's administration, workers' still did not participate directly on a mass basis during this first year of the new union regime.

From January 1983 onwards, the government had issued a series of wage laws and decree laws while it tried to negotiate long term wage and strike laws with the Congress (56).

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54. Source: "Handouts number 1, 2, 3 and 4 on the two decrees", Metalworkers Union. 1984.

55. The collection of union handouts is part of the secondary material brought to London from the fieldwork. These handouts, "bulletins" or "official notes", together with shop-floor level meetings and company gate talks, were the major channels of communication with the rank and file during the first years of the new union executive.

56. As already outlined in detail in Chapter 2 of this thesis, the first wage law issued by government dates from 1964, with decree number 54.018 which constrained wage increases to the price index and levels of anticipated inflation. It established the maximum level of wage increase not the minimum as might be expected from legislation of this nature and completely eliminated any possibility of collective bargaining.

According to Oliveira, the wage legislation in Brazil was practically unaltered between 1964 and 1979. During the advent of "new unionism", the emergence of strikes and direct negotiations between employers and workers in the dynamic sector, not only was the Anti Strike Law 4.330 ignored but also the governments' wage policy. Some wage increases were obtained

During this period the Labour Court retained its power to arbitrate wages in cases of dissídio coletivo.

At Volta Redonda, the union's main response was to repudiate the issuing of the wage decrees and to spell out their practical consequences at workers' assemblies and meetings. In January 1984 the Metalworkers' Union continued the process of changeover and sought to mobilise their base by way of bulletins, shop-floor meetings and small assemblies at the union premises. Although the data base for the Annual Work Contract of the steelworkers of Volta Redonda was first of July, the union already initiated a survey among the rank and file to find out which issues they wanted on the agenda for negotiation. This research was carried out by means of union bulletins, entitled "Research for the Wage Campaign", which were distributed to workers and collected several times a day at the plant gates.

These procedures, which officially launched the Wage Campaign Period, marked a complete change from Lustosa's administration. In past wage campaign periods, workers were allowed very little say in the building of the agenda to be

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as a result of direct negotiation and, on some occasions the Labour Court itself, was giving higher wage increases than that proposed by the criterion in the wage law.

To respond to these developments, the government proposed and passed in the Congress where it held a majority, a new wage law, number 6.708 which was put into force in November 1979 until January 1983, when a third wage law was issued.

The major innovation of the 1979 wage law, according to Oliveira, was that it allowed for direct negotiations between workers and managers, for wage increase while, at the same time dictating the limits of wage readjustments to accompany the rising inflation. The former index was to be calculated by the government's National Consumer Price Index (INPC) applied using a graduated scale, every six months. Oliveira, C. "Política Salarial e Negociação Coletiva no Brasil". 1989 pages 6-7.

addressed to management, and put forward issues that were very limited in scope.

The handout material, further shows that the union began a series of sectorial meetings inside the plant to deepen its contacts with workers and to obtain greater details on working conditions, etc. The outcome of these meetings was printed in the union bulletins so that the issues could become public (57).

Two events in May 1984, came to exert a significant influence upon future developments. The first was the unprecedented strike, lasting two days, of workers from the Barbara Steel Company located in Barra Mansa. This strike constituted a major breakthrough in terms of union politics, both because the Metalworkers' Union offered its prompt support and because the strike was relatively successful. This was an interesting contrast with the "expansion workers" strike of 1979.

The second important event in May 1984 followed the discovery by union leaders of significant wage differentials between workers at the COSIPA plant and the National Steel Company. The "new unionist" leaders were able to establish links with their counterparts at COSIPA and to obtain detailed information on wage levels there. It turned out that the alleged differentials were between 20% and 100%, depending on

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57. Source: Hand-out material from the Union Bulletins. Metalworkers' Union. 1983 and 1984.

the wage levels compared (58). This information became a major mobilising force among workers at the National Steel Company, who felt victims of injustice since both companies were state-owned and subject to the same price control policies.

From January to May 1983, the union executive continued to lead a dynamic wage campaign with increasing mobilisation from workers and the use of direct tactics by leaders to encourage greater activity and discussion. Small protest events were organised as a preparation for a possible strike; for example, a one day boycott of the company's food (59), or the "occupation day" on May 10, when all workers were called upon to enter the plant and assemble in the plant's yard for a few hours (60).

At the first mass assembly of the period, on May 20, 1984 the workers officially approved the Wage Campaign Agenda and the union leaders started the complex bureaucratic procedure prescribed by the Ministry of Labour. At the same time the leaders continued the "new unionist" tactics of mobilising the largest number of workers at mass meetings for discussions and decisions about the new work contract.

The mass meeting, which brought together 7,000 workers,

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58. According to a news report, while the initial steelworkers' wage ladder at the National Steel Company was Cr\$ 114,000. the same level in COSIPA was Cr\$ 247,000. Source: Folha de São Paulo, May 21 1984.

59. Union bulletins number 141 to 149. May-June 1984 and Folha de São Paulo, May 1 1984.

60. Bulletins numbers 150 to 154, May-June 1984. According to newspaper sources 10,000 workers participated in this protest. Source: Folha de São Paulo, May 18 1984.

was considered by leaders as a major success. The Wage Campaign Agenda which resulted from this mobilisation, had 45 clauses on economic issues, working conditions and political demands:

1) The economic demands included a complete end to wage differentials with workers from COSIPA; a 100% increase in overtime bonus, and wage readjustments every three months instead of the six months laid down in the government's wage law of the period.

2) Issues concerning working conditions included the building of canteens in the plant's departments; the improvement and building of restrooms and bathrooms; the payment of the bonus for unhealthy working conditions to all workers in the plant; and the extension of bonus payment for dangerous working areas to many departments in the plant.

3) The political grievances included freedom for all union executive members to enter the plant at any time; a change in the data base to May 1, to coincide with the whole of the Metalworkers' categoria in the region; legal representation of shop-floor activists; a union notice board on the shop-floor; and election of CIPA representatives on a democratic basis.

The first meeting between union and managers, which took place in the workers' club, was characterised by very little negotiation. Management then called in the Labour Court to mediate discussions, and the second negotiating meeting took place at the Regional Labour Court in Rio de Janeiro. Although a dissídio coletivo as such had not been called yet, the mediation of the Ministry of Labour was clearly a tactical response by management to workers' mobilisation.

According to sources, it was quite clear that management was willing to give very little, and that it would plead lack of autonomy in relation to the economic clauses to try to establish a dissídio coletivo so that it would be taken to

court for the labour judges to decide (61). Most probably, according to management's thinking, the Labour Court would reject 90% of the demands since they directly conflicted with the Labour Code and the wage laws. Furthermore, basing themselves on a strike-free history, company managers could not believe that workers were sufficiently mobilised to strike and to seek to extract concessions from managers from a more powerful position.

It was probably as a result of the previous five-month mobilisation, the comprehensive agenda for the 1984 Wage Campaign, and the negative response of management that the first mass meeting at the company yard after the Labour Court session in Rio de Janeiro, was attended by 10.000 workers. This constituted a major break with the previous union administration, in the level of mobilisation and the type of democratic concerns expressed by the new leadership. During this meeting there was the unprecedented consideration of a strike as a concrete alternative (62).

According to sources, the differences within the union leadership were by now deepening to danger point and crystallising around the question of strike action. Juarez Antunes and his group wished to comply with all the Ministerial regulations concerning negotiations before a strike was called.

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61. Union bulletins; "One Year of "New Unionism" - Booklet, September 1985; and informants number 17, 20 and 22.

62. A detailed account of the three principal mass meetings before the strike emphasises that they were "as democratic as possible". "At the meetings, it was the workers themselves who decided the next speaker and how much time each would have to speak. Source: "One Year of Struggles" - September 1985. Metalworkers' Union.

An opposing group took a more critical position and wanted a strike to be called immediately (63).

The position of Juarez Antunes won majority support, and on the third mass meeting, it was established that the strike proposal would be voted on by secret ballot, but that its actual declaration would depend on the second conciliatory meeting between workers and company managers. The strike would take place only if management maintained its non-negotiating position. The ballot was 99% in favour of a strike and the meeting with management ended with no new proposals. The strike was called for midnight on May 20, and detailed preparatory procedures were made for workers to remain in the plant.

### 3.2. The Strike

From May 20 to May 24, 1984, steelworkers from the National Steel Company went on strike, for the first time in the company's history. Workers occupied the plant and kept the vital machinery working. This strike marked a turning point in terms of representation and recognition by workers of the new leaders who had been voted into office only a few months

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63. The anti-strike law, number 4.330 of 1964, was slightly changed in 1978 as a result of the emergence of "new unionism" and the impasses that 4.330 had created by its authoritarian character. The new law - Decree Law number 1.632 of 1978 - extended the legal grounds for strike activity, but at the same time it declared all strikes in the essential sectors including banks, illegal. Additionally the Minister of Labour was given power to include other areas as "essential" according to his own discretion. For more details see Moreira Alves, M. "Trade Unions in Brazil" in Labour Autonomy and the State. 1988a page 70. For a general overview about strike laws, see Sandoval, S. Strikes in Brazil. 1984.

before. Also very important was the clear symbolic differentiation that the strike established between the new generation of workers from the old, identifying the former with the nationwide expansion of the "new unionist" movement and with the struggle for workers' political and social rights.

The 1984 strike at the National Steel Company rapidly drew nationwide public attention and support from organised labour. The general atmosphere in the plant was one of defiance against managers, company directors and government. According to workers who were actively involved, the day-to-day progress of the strike was an important collective experience:

"The first one, the 1984 strike was a new experience for all of us. We had never had that experience before and people didn't even believe when it happened! The majority didn't have yet a clear perception of the thing but there was a group who took charge. Because of our inexperience there were a lot of political failures but it was an incredible experience!". (Inf. 5).

"The 1984 strike was really something! (...) People have to have consciousness during a strike. In 1984 only 1% did not participate; the rest were all there, together, sleeping and staying in the plant. It is torture to stay there at night, it is very cold, but we stayed and gathered in the various yards inside the plant. Despite all the problems, we kept fighting for our cause". (Inf. 1).

"I have taken part in all the strikes at CSN, all occupation strikes, but the first was special. We ate and slept inside the plant. We did not lay our hands on any equipment but took care of the machines to make sure that no one broke them and put the blame on the workers. We stayed together most of the time, chatting. Some men brought guitars in and there would be some singing. Others played football during the less stressful moments of the occupation". (Inf. 56).

As a result of the breakdown of negotiations between workers and management, a dissídio coletivo was declared by the Labour Court judge. According to different sources, there were



two "conciliation meetings" between the Metalworkers' Union and management during the five day strike, mediated by a judge from the Regional Labour Court. In a parallel process, however, the declaration of a dissídio coletivo had officially took the matter out of the hands of the disputing parties and transferred it to the Labour Court to judge.

These developments strongly highlighted a tension between the untouched legal framework of the CLT Law and the "custom and practice" strategies which had been developing since the birth of "new unionism", and forcing government and company managers to innovate in their response to collective action. This "custom and practice" type of negotiation weakened the legal constraints of the CLT Law and expanded workers' rights and organisational dynamics. Many of the events since the start of the Wage Campaign Period in January 1984 were clearly illegal from the point of view of the CLT and "public order" laws. Nevertheless, the government chose not to intervene directly, either by legal coercion or by physical repression.

There are three possible explanations for this. One is that, because of the powerful workers' mobilisation and the nationwide support from organised labour, direct repressive action would most likely have broken the support given by political forces in the country for the government's negotiated liberalisation project.

A second explanation is that the strategic importance of the National Steel Company in the Brazilian steel market of tinplates, and the need to guarantee the proper use and maintenance of the equipment, made government and company

management dependent on the union leadership to "control" its rank and file and guarantee the integrity of the plant. If outright repression would have hit first at that leadership, there would have been unforeseeable consequences in terms of the duration and unfolding of the strike.

The third explanation is that, as the union divided between the Juarez Antunes faction and another group with a more radical and confrontational inspiration, the management might have wanted to strengthen Juarez's faction which sought to pursue negotiations with management (64).

During its two meetings with workers, management vehemently rejected the demands for wage parity with COSIPA. They did, however, offer some economic benefits, commit themselves to an improvement in working conditions, and accept important political advances for the union. These clauses were proposed by management in the May 23 meeting, one day before the judgement of the dissídio coletivo by the Labour Court. It can be suggested that this negotiation was a rational-choice exercise by workers and management (65). From management's point of view, the imminence of the Labour Court ruling acted as a source of pressure on the workers to concede. The workers' rationale was similar to management's. Union leaders thought

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64. This is a possible interpretation of events which conflict with other interpretations. For another interpretation of the events see "Vitoriosa a Greve da Companhia Siderúrgica Nacional". IBASE, 1984.

65. For an interesting theoretical model on the type of rationalisation by management and workers which takes place during a strike see Crouch. C. Trade Unions: The Logic of Collective Action, especially chapter Three: The Means of Collective Action. 1982.

that, most probably, the dissídio coletivo judgement on the following day would declare the strike illegal, with grave consequences for the leaders and the union; and, at the same time, that it would probably endorse very few of the other grievances in the workers' agenda. Thus, the majority of the union leaders came to this view that the strike should end.

### 3.3. Final Remarks

Of the 45 items in the Work Contract Agenda, company managers granted 25. Although the economic gains were very small - union leaders alleged that they did not total more than 8% over the INPC consumer-price-index - there were significant political and organisational advances.

The 1984 Agreement established an increase in the bonus for overtime from the original 20% level to 25% in the first two hours, then 50% in the following two hours, and 70% in all subsequent hours. At the same time, an upper limit of 16 hours per week was set on the amount of overtime that could be worked.

Workers were given a "disciplinary amnesty" which meant that events during the strike would not be entered in the workers' records - otherwise they could have hindered future promotions or access to benefits. It was established that the days lost during the strike would be put back as overtime, in accordance with a negotiated settlement (66). It was also established that there would be no dismissals of members of the

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66. Clause 26 - May 1984 Agreement.

Strike Committee - a body which, by the end of the strike, had a sizeable composition from the union leadership and from the grass-roots, many of whom went on to become committed activists. These workers, unlike union officials, had no legal immunity and needed some sort of protection against lay-offs.

Clause 25 of the Agreement granted the right to the union President and other directors to enter the Getulio Vargas plant. The union was permitted to hang up bulletin boards inside the plant, in numbers decided by the union but in locations to be negotiated with the company (67). It was also established by Clause 22 that the company would limit the number of lay-offs to 20 workers per month. Together with these important achievements, the 1984 Agreement made some advances in the improvement of the welfare conditions of the shop-floor (68).

It is a recurrent perception among some union leaders and activists that although the 1984 strike brought little economic improvement, the political gains were significant. In fact, the organisational advances which resulted from the strike brought a new level of recognition and legitimacy of new union leaders in the eyes of the rank and file.

Based on accounts by workers, it would appear that the strike marked a widespread symbolic break through which the

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67. Item 11 of the Administrative Protocol.

68. They were among others 1) the commitment by the company to build, in a six month period, 160 new toilets and to improve the existing ones. 2) The commitment by the company to build in an eight month period new canteens inside the majority of departments inside the plant and 3) The commitment to build in a twelve month period new cloakrooms to meet demand. Source: Item 7 of the Administrative Protocol. May 25 1984.

union was perceived no longer as bureaucratic and "pelego" organisation but as a militant workers' union.

Workers tended to explain their newly positive assessment of the union on the grounds that the union under Lustosa did nothing in favour of the worker whereas it was clear to them that the new leadership was prepared to fight for workers' rights and to improve their situation. According to workers:

"(...) there is a lot of criticism of Juarez, such as the ones produced by the local newspapers, but this is politics, this is how it works. The one who was really a robber was Lustosa and only after the "Opposition Group" got him out of office did I unionise". (Inf. 1)

"(...) I think that as time has passed there has been an important change, an awakening (...). Things have changed a great deal for the better. The present union executive have a lot of faults but it is a great change from the past, when we had a "pelego" union. The union in the past was on the same side as company managers. The "Annual Work Agreements" were signed behind workers' backs. No one knew exactly how, and the contracts did not grant anything effective to workers. The new union, the present union, has sought to raise the consciousness of the people, talking about the country's situation and the need for us to fight". (Inf. 5).

It is also possible to attest that many workers became unionised or engaged in greater union activism after the strike (69):

"The 1984 strike was very important because it happened with the participation of all the workers under the guidance of the leaders. (...). The workers discovered their value at the moment they decided to stop production and gave a big financial loss to the company (...)" (Inf. 53).

"What really triggered this grass-roots type of mobilisation was the 1984 strike. In 1983 Juarez took office in the union. A new executive board took office. In 1984 there was a strike and things became

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69. According to a union bulletin for example, between September 1983 and immediately after the 1984 strike, 2.000 steelworkers became unionised. Bulletin number 166. Metalworkers' Union. 1984.

much more clear. The question of our rights. The rights workers have, this became clear to us. It became clear that for us to conquer anything we have to struggle for it". (Inf. 51).

"I think that in terms of wages we got very little, our purchasing power became even more reduced. But one thing is for sure, the strike helped to make it clear to us workers that we did not have a union before. After 1984 we discovered we had a union and management also found that out". (Inf. 11).

#### 4. Conclusion

This chapter has presented an account of the emergence of the "Union Opposition Group" in 1979, inspired by "new unionist" ideas, and of its rise to power in the Metalworkers' Union. As shown, the most important events in the period were the emergence of the "Opposition Group" in 1979, their election to power in 1983 and the first strike at the National Steel Company in 1984.

The chapter has raised some analytical points of which three seem to be the most important. The first relates to managerial policies on employment and production and how these changes can be interpreted within a general trend in process industries towards greater rationalisation and productivity. In this respect, the chapter brought in the contribution of authors like Guerra Ferreira and Borges. The point to make here, however, is that although the policies implemented by the company bore out what the theory on process industries suggest to be the main tendencies, it is important to see how these policies were related to and at the same time affected the workforce. Otherwise one can fall into a technological-

deterministic type of interpretation.

I would like to suggest that the creation of two labour markets in the company - one of core workers and another of non-core workers - did not result in a political split amongst the workforce, but on the contrary, reinforced a common identity of "peão" among the steelworkers. In fact this labour market policy operated within a context of other measures, by which the company and the government tried to blur the special status of the "state-employee". The ending of job stability, with the introduction of the FGTS in the early 1970s and the federal decrees of the early 1980s excluding state-employees from any extra-wage benefits, are illustrations of this process.

The company pursued the lay-off of older workers in the mid-1970s in an attempt to eliminate sources of resistance to its rationalising policies. These older workers still carried the notion of the company as a "benefactor", with the associated trade-off of a more acquiescent workforce. However, this also resulted in a workforce more resistant to the rationalising policies sought by the company at the time.

The effect of protracted loss of state-employee status was a transformation in the characteristics of the workers' identity. The identity of the past, strongly based on the company's history and differentiation from other working-class groups, was replaced by an identity more closely linked to other groups of workers outside the plant. The identity of the younger generation of workers was no longer constructed around the idea of being a state-company employee, but rather around

the idea of being steelworkers and metalworkers, just like other workers around the country.

It can be suggested that this laid the ground for the influence exerted by the "new unionist" movement, which was already strong in the country, to penetrate Volta Redonda. Moreover, the general political liberalisation of the country opened possibilities for the organisation of civil society, through social and progressive Catholic Church movements. These organisations were present at Volta Redonda at the end of the 1970s and played an important role of support to the emerging "new unionist" movement.

The second analytical issue raised by this chapter, is the transition of shop-floor conflicts into formally organised policies. It has been shown how the exacting work of steel-making and the bad working conditions, together with problems of management despotism, were very important problems to workers and resulted in constant shop-floor conflicts. I have tried to show that these conflicts were picked up by the "Union Opposition Group" because they were steelworkers themselves, working on the shop-floor and sensitive to the types of conflicts that emerged there. This brings forward the issues discussed in the Introduction to this thesis, concerning the political process of the "new unionist" movement.

The "Union Opposition" analysed in this case study, was originally an informal social movement, born outside the union, which was later institutionalised into a new union government. Together with this institutional-level process, it was possible to see a transition in the political culture of the shop-floor,



whereby conflicts previously experienced by workers at an individual level, were turned into organised collective demands, channelled by political mobilisation and articulated by the "new unionist" union leaders. I would like to suggest that this process illustrates the transition from shop-floor conflicts to what Burawoy has named politics of production that is, collective struggles over or within relations of structured domination, which have as their objective the quantitative or qualitative change in those relations.

It has also been suggested in this chapter that there are three areas of identity between the "Union Opposition" group and the "new unionist" movement: first, in the priority given by the "Opposition Group" to shop-floor conflicts, in their agenda of demands; second, in the questioning of corporatist legislation, as demonstrated by the "Union Opposition" and by its actions after winning the union executive in 1983; and third, in the search for a new type of union government and day-to-day unionism which stressed mobilisation and participation, in contrast to the welfarism and clientelism of the bureaucratic union of the past.

Finally, the third analytical issue raised in this chapter concerns the tension between the legal framework defined by the Labour Code and still untouched at this point in time, and the "custom and practice" strategies which were emerging as a result of initiatives by "new unionist" union leaders. The developments before, during and after the 1984 strike at the National Steel Company, for example, illustrated the "contingent" application of the labour code by government in

face of the emergence of a mobilised group of workers influenced by "new unionism" and in favour of direct militant action. This was not a new outcome in the country, for as I have shown in Chapter 2, during the 1978 and 1979 strikes of the metalworkers from the ABC region, government and management had to innovate in its response to an organised force unknown to them until that time. It can be suggested that organised labour was in practice showing to government the difference between the "legal" and the "legitimate" in respect of the rights of organised labour in the country.

The next chapter analyses the period after the 1984 strike, up to 1987. This was the period when the company proposed a type of "democratic management" and when the new union leadership further developed rank and file mobilisation and organisation. On the other hand, the period was also one when disputes between "new unionist" leaders and activists deepened and the dilemmas faced by "new unionist" unions, emerged with clarity.

## CHAPTER 5

### THE ADVANCE OF SHOP-FLOOR MOBILISATION AND ORGANISATION AND THE NATIONAL STEEL COMPANY'S "DEMOCRATIC" PERIOD: 1985-1987

This chapter presents the shop-floor politics and developments inside the Metalworkers' Union in the period 1985-1987, in the context of political democratisation in the country and change in the executive boards of state-owned companies. Section One shows that the two most important characteristics of company directives in this period were an attempt to "democratise" managerial policies towards the workforce, and moves towards greater flexibility in the organisation of labour and in the design of jobs for the group of core-workers. Section Two shows the types of shop-floor politics directly produced or accentuated by the introduction of functional flexibility and work groups. The chapter discusses the types of shop-floor politics which were generated in this particular period of the company's history and describes the advances of the "new unionist" union in terms of mobilisation and organisation of steelworkers.

It is suggested that the turn in company policies towards greater democracy was directly related to two different developments. On the one hand, there was the process of political democratisation in national politics, with the transition from military to civil rule. On the other hand, in the aftermath of the 1984 strike at the company, the

new union government gained strong legitimacy amongst the rank and file and began to push for further changes in managerial policies.

Section Three of this chapter presents a micro-level analysis of the developments inside the Metalworkers' Union and shop-floor politics. This period was marked by the expansion of workers' organisation and the presentation by the union of workers' shop-floor grievances in the form of coherent and assertive demands to management. Yet, the period was also marked by the development of splits and disputes among the "new unionist" leaders and activists. The most significant issues which arose in this period were: the difficulties faced by new opposition groups in surviving and exerting influence over union policy; the disputes between union leaders about priorities and internal administration; and the emergence of some debate about the role played by "new unionist" leaders and the extent to which they should run in national legislative elections.

The chapter ends by presenting the radical turn in the company's democratic policy, after the August 1987 strike at the National Steel Company and the beginning of a repressive type of management rule. In this strike, led and organised by the union, central government called in the army and there were clashes between workers and soldiers. Despite the shift in company policies and the problems which were emerging inside the union, the "new unionist" leaders and activists consolidated a new type of union activism in the steel plant and created innovative approaches to union politics, at a

time of significant political and economic crisis under President Sarney's administration.

## 1. Management's Policies in the Period 1985-1987 and the Politics of Production

Management's main objective during the 1985-1987 period was to maximise the new capacity installed under phase three of expansion plan D, which was in progress at the time (1). As will be shown shortly, management sought to obtain this objective by implementing further changes in the organisation of labour and by introducing flexibility policies. Another important characteristic of the period was the company's growing recognition of the clientelist and coercive style of management which predominated within it, and its attempts to implement a more "democratic" and "consensual" style of management in the plant. It is suggested that this new policy was the result of the process of democratisation of Brazilian society and a re-arrangement of top management structure in state-owned companies.

The transition from military to civilian government in Brazil took place in 1984-1985. Despite the popular outcry for direct presidential elections, the political elites settled for a "solution from the top" and an electoral college eventually appointed new president in 1985 (2).

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1. See Table 4.1 in Chapter 4 on the different phases of expansion plan D and the timetable for completion.

2. For more details on this process, see Chapter 2, Section 5 of this thesis.

Although the candidate, Tancredo Neves, died before assuming office, he had been responsible, with other politicians, for negotiating a political pact of support for the new government. In these negotiations, the allocation of places in important public institutions had been important chips in the political game. As a result, a new board of directors was appointed in 1985 to head the National Steel Company, most of them linked to the PMDB party and having a certain level of commitment to a "more democratic administration". Moreover, with the installation of the New Republic, a new set of objectives towards greater efficiency were implemented in state-owned companies and talks over privatisation were resumed.

Within this context, the new management had to justify the viability of the state-owned steel company by obtaining greater productivity and profitability. A high degree of indebtedness and severe financial difficulties reinforced the company's need to increase its level of profitability. Utilisation of installed capacity had to increase in order to obtain a return on the new investments made during the three phases of expansion plan D. As we have seen in the previous chapter, management had also sought to increase productivity levels in the plant during the 1979-1984 period. The major difference between the two periods lies in the fact that after 1985 the company was presided over by a new board of directors who, at least in theory, were detached from past allegations of corruption and mismanagement. It might be suggested therefore that management in the latter period was

in a better condition to implement effective change.

Company records reveal that the new board of directors viewed the former style of management - with its emphasis on equipment and machinery to the exclusion of workers' conditions - as an obstacle to increased productivity levels (3). Furthermore, the 1984 strike and the demands put forward by the "new unionist" union, placed additional pressure on management, making it feel vulnerable to workers' militancy for the first time in the plant's history.

In response to these challenges, management implemented two sets of policies. The first may be broadly characterised as a search for democratisation of managerial policies towards the workforce; the second as a drive for greater functional flexibility among process and maintenance workers, the core group in the plant.

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3. Sources: Annual Reports. National Steel Company 1985, 1986 and 1987.

The interpretation suggested here is reinforced by an interview with a member of the board of Directors from the National Steel Company, made by Pimenta. The company director stated that: "there came a time when although the National Steel Company had the most developed plant in terms of technology and equipment, it was holding third or fourth place in the national rank of steel plants. This was because the company was outdated in terms of managerial strategies (...). Although the company has modernised continuously, the managerial side, in my opinion, stopped in time. The company needed an extensive modernisation in managerial terms. Since it did not pursue that, it got itself into great trouble during the 1980s". Source: Pimenta, S. A Estratégia da Gestão, Fabricando Aço e Construindo Homens. 1989 page 567.

### 1.1. Policies to "Humanise" the Steel Plant.

The drive towards democratisation and greater workers' participation in company matters was related with a programme to improve working conditions in the steel plant. We can relate the issue of working conditions with democratisation because workers were called upon to take part in and influence the implementation of that programme. Management talked of a "general plan for the humanisation of the Getulio Vargas Plant", which implicitly acknowledged the "non-human" conditions to which workers had previously been subject (4).

As noted before, company management was taken by surprise by the change in union leadership and the emergence of militant action amongst its rank and file. The 1984 strike served to expose, at least to top level management, the extent of distrust and resentment which existed between workers and shop-floor management and the need for a more "workable relationship". The clearest indication of this was the re-structuring of the "Industrial Relations Division" (subordinate to the Human Resource Department), so that it would take a more active and efficient role in channelling workers' grievances and thereby control potential conflicts.

Although the Industrial Relations Division had been created in 1980, the 1985 re-organisation attempted to give it a much higher profile among the workers and to bring its "advisers" on to the shop-floor. According to the Head of the

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4. Source: Annual Report. National Steel Company. 1985 page 4.



Division:

"Our industrial relations division is made up of myself as head and nine analysts who are distributed in the most important areas of the Getulio Vargas plant. Their main objective is to act as a moderating agent in the relations between workers and management. Our role is to give workers the incentive to show their grievances through our division, before they take them to the union. The analysts listen to workers' grievances in loco and try to settle them as far as possible. The issues raised by workers are, for example, claims about incorrect pay, unfair treatment by shop-floor supervisors and foremen such as unjust punishment, unjust evaluations, irregular differences in pay between the same jobs, etc." (Manager no. 2).

Although it might be argued that such a small number of advisers was less than sufficient to attend effectively to some 12,000 manual workers in the plant, the Industrial Relations Division was greatly helped after 1986 by one union director called Lopes from the Metalworkers' Union who decided, in his own words, to cooperate with this company's division for the benefit of the workers. In fact, differences of opinion among union leaders regarding Lopes' scheme became one of the central disputes within the union. I will return to this in Section Three below.

On the whole, under the influence of the democratisation process which was taking place in Brazil under the "New Republic", management's discourse for the next two years expressed, in some respects, a "democratic" turn from the despotism of the past, towards greater consensus and compromise. The company's 1985 Annual Report, for example, refers to the union as a legitimate institution and comments on the positive relationship that had been established with

it (5).

Another concrete sign was that management honoured all the clauses of the 1984 Work Agreement, including those relating to the presence of union leaders inside the plant and the guarantees against lay-off for workers who had become militant activists after the 1984 strike.

In regard to working conditions, the company took on board union's and workers' grievances over the improvement of the bathrooms and canteens in the plant. It also re-launched its hospital, which had received very little investment since the end of the company town days (6). In addition, it created a "Zero Accidents" Programme to reduce the sizeable number of accidents at work (7). Two other initiatives are worth mentioning because of their innovative character at the time. The first was the installation of a Committee on Working Conditions in the plant, composed of representatives of workers and management, to study ways of improving safety

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5. "As a result of the personnel policy which the company has pursued, the good relationship and level of integration with the different unions which represent our workforce must be mentioned. This allowed for the drafting of the 1985 agreement with the Metalworkers' Union for example, without the calling of dissídio coletivo. The only sad note is the unjustified stoppage at the end of December (this refers to a one day strike called by employees from state-owned companies in December 1985)". Source: Annual Report. National Steel Company. 1985 page 2.

6. Source: Annual Report. National Steel Company. 1987 page 4.

7. The "Zero Accident" Programme consisted basically of expanding the distribution of protective uniforms, educating manual workers on the need to use proper protective uniforms and equipment, and introducing tight vigilance over workers by managers to ensure that the equipment was used and worn. Source: Interview with Company manager no. 2.

standards and working conditions. Although financial limitations impeded the application of the proposals put forward by the Committee, its very existence marked an important step in the integration of workers into some level of participation in company policies. This was a major departure from the exclusionist policies led by management in the past.

The second important development was the beginning of a more effective CIPA - Comissão Interna de Prevenção de Acidentes (8). Although the workers interviewed called the CIPA of this period the "management's CIPA", because the election of workers' representatives to it was not completely free and workers were not really allowed to put forward more critically inspired proposals, the CIPA nevertheless started to function as a back-up to the "Accident Zero" campaign. As I will show shortly, the degree to which the CIPA became a channel for militant activism by shop-floor workers increased over the years, especially after 1986, allowing for the emergence of intermediate level leadership. Since the legislation regulating the CIPA activities foresaw the existence of workers representatives, the "new unionist" leaders and activists started using this legal channel to elect those already committed as shop-floor activists (9).

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8. For details on the creation and objectives of CIPA see Chapter 4, Section 1.3

9. According to CLT legislation on the matter, a company the size of the National Steel Company, classified as risk four (maximum) on a "safety scale", should have between 30 to 54 representatives, from both managers and workers. Source: Regulating Norm on the CIPA, number 5.3 and Table 1 of CLT Law. 1986 edition pages 691 and 710.

Finally, a third important development after 1985 was the introduction by management of systematic meetings with shop-floor workers, to discuss job safety issues and problems raised by workers which prevented increased production or improved product quality. According to workers, these were either a short daily "flash meetings" (as they were called) with all workers before the shift, or monthly meetings when workers were randomly selected to take part (10).

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10. According to workers interviewed :

"The daily meeting take around five minutes before we start work. We call "flash meetings" and we talk about company rules, about the working conditions and how we should be alert while working in the production". (Inf. 29).

"Monthly meetings are organised in each department in the plant with the presence of an engineer of operations, an engineer of "health and safety at work", the head of the division, the other engineers and workers. In my Department we are 60 workers and 10 take part in the meeting. We are suppose to rotate so that everyone goes. (...) It takes around two hours (...) and we talk about safety issues and the problems with production, spare parts and things of that sort". (Inf. 37).

If we take the content of the "flash" and "monthly" meetings and compare them with a definition of Quality Circles, it is possible to suggest that the former are to a certain extent, an adoption of the Quality Circle idea. According to Littler and Salaman, Quality Circles are small groups of workers, usually led by a foreman or senior skilled workers, who meet regularly to study and solve problems related to production. Such meetings are intended to stimulate motivation and involvement on the shop-floor, with the ultimate objective of controlling productivity. See Littler and Salaman, Class at Work. 1984 pages 37 and 87-88.

## 1.2. The Introduction of Policies Towards Greater Flexibility in Production

Simultaneously with the "humanisation programme", this period was characterised by management's attempts to prepare the workforce and re-structure the organisation of work for the new technology and machinery which was introduced in phases two and three of expansion plan D (11). By this time, phase two of the expansion plan was well under way and there was a major retraining programme to adjust the workforce to the new technology (12). Although many different changes were taking place at this time, I would like to concentrate on two particular policies which, I will argue, had a direct impact upon the politics of the shop-floor. These specific changes were: 1) the reorganisation of the Planning Department and the contracting of services on ergonomics; and 2) the introduction of work groups and functional flexibility.

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11. It is worth noting that the trends I have identified for the period 1979 to 1984 continued in different degrees during the 1985-1990 period, since expansion Plan D was still being implemented.

12. According to company records: "the preparation of the workforce for the implementation of the expansion programme was priority (...). Within this policy the company identified 4.378 jobs among production and administrative sectors for which recruitment, selection training and relocation of jobs were needed". Source: Annual Report. National Steel Company. 1981 page 4.

### 1.2.1. The Reorganisation of the Planning Department and Ergonomic Studies

In relation to the first point, company sources reveal that the services of firms specialised in ergonomic studies were ordered in 1985 (13). The company's Planning Department underwent a process of re-organisation with the objective of improving efficiency. According to a steelworker who saw these changes being implemented, a large number of computer terminals were installed (14). His own department was to operate a direct link between the Commercial Department and the Production Department, so that client specifications and delivery deadlines would be efficiently transmitted to the Production Department by mapping out the flow of production and controlling inventory. The implementation of ergonomic studies on the shop-floor was critically received by steelworkers. According to some accounts:

"A group of people from outside the company came to study the way we worked. They came to my department and started taking notes of everything we did in our daily routine. When we worked, when we stopped work, how long we remained inactive, how long we took to go to the washroom, they wanted to know about everything". (Inf. 26).

"The company called in a firm, I think it was called Synchronades from Sao Paulo. They came to teach managers ways to manage and to increase productivity. (...) They also studied the ways we worked and made notes about it all, as well as looking into our files and seeing how the Planning

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13. Source: Annual Report. National Steel Company. 1987 page 4.

14. Informant 48 - computer terminal operator.

Department distributed work and the amount of time allocated by them (...). They aimed to increase productivity and decrease work stoppages". (Inf.39).

According to a technical worker, the main objective of these ergonomic studies was to gain an understanding of particular job routines and of the time needed to execute them. With this information the Planning Department could produce more realistic schedules and deadlines for production departments (15). These activities were perceived by management as a basic condition for a more efficient production process.

#### 1.2.2. The Creation of Work Groups and the Introduction of Functional Flexibility

The second important policy implemented by the company during this period was to introduce the principle of group work, as opposed to individual execution of a job. This new policy was facilitated by the job restructuring which eliminated some job titles and the created others, in line with the technological upgrading since the late 1970s (16). Under the new work group system, workers were given incentives to work and act as a group. According to company

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15. Informant 22. Senior technical worker from the Planning Department.

16. The field data suggests that the most illustrative example of this process may be found in the steel-making plant, with the change of steel-making technology. The technology based on SM method had involved a whole range of jobs such as mestre acieiro and mestre forneiro. With the substitution of the LD method, these job titles were eliminated and others such as mestre paneleiro were created.

managers interviewed, this new policy was directed at process and maintenance workers and relied upon three types of changes. First, work groups were created with an internal leadership. The title of "principle operator" (operador principal) for process work groups and the title of "group leader" (lider de grupo) for maintenance work groups, were introduced. As this process was under way, the company sought a gradual but comprehensive replacement of the senior skilled worker by the technical skilled worker, reflecting management's greater emphasis on formal education and a desire to have better prepared supervisors at the shop-floor level (17). According to a company manager:

"Before this policy, we had two levels of supervision, the senior skilled worker and the foreman. The senior skilled worker had reached this position through experience, by working his way up from being a production worker. However, he had usually little formal education at a technical school, for example. We are trying to eliminate the post of senior skilled worker and put the technical skilled worker in his place. The technical level job is only occupied by those formally trained. Together with that, we created the posts of "principal operator" and "group leader". The workers in these posts are suppose to work on their equipment and at the same time to be responsible for a work group". (Manager no. 3).

The organisation in work groups was designed to achieve greater worker involvement in production and the allocation of greater responsibility to the sphere of production as such. This viewed not only the improvement of productivity

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17. Another development dating from this period was the introduction of new supervisory hierarchies, besides the foreman, the senior skilled worker and the head of the department. In the new hierarchy there came to be a head of department (chefe de departamento), a head of a unit (chefe de divisao) and a head of a head of shift (chefe de turno), in a clearly delimited division.



but also the improvement in product quality. According to a manager:

"We wanted to change the way workers intervened in production. Before, every time there was a problem, managers were called in. The worker did not act until his immediate boss took some decision. That was the former type of culture which predominated. Since the new board of directors arrived and changed the Department of Operations, in 1985 we have sought a new type of awareness from the worker. We want the worker to understand that production is his responsibility, If there is a solution to a certain problem at a particular moment, he should take the decision and execute it". (Manager no. 1).

According to manager no. 1, this policy of greater worker involvement had required the re-activation of the profit-sharing scheme (called "girafa") so that workers felt motivated "to give more production", as he called it, in exchange for a monetary trade-off (18). The manager also suggested that this policy was only possible due to the new democratic winds in the company and the stronger role played by the union whereby workers developed greater knowledge not only of their rights but also of their duties.

The second principle implemented was functional flexibility, whereby some job descriptions were broadened and the functions of different jobs were aggregated into one job title (19). However, the company's job classification

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18. As discussed in chapter 3, the "girafa" was born during the 1940s in the spirit of the paternalist policies of the period. Along the years, it had progressively lost the rationale of a percentage received by workers for increased productivity levels to become one annual wage supplement. During this period management once again tried to link the value of the "girafa" to a percentage in productivity increase.

19. Source: Interviews with managers no. 1 and 3. For more details on the definition of functional flexibility, see the Introduction to this thesis and Humphrey, J. "New

scheme did not change at the same pace as the reduction in the number of job titles, and this produced many conflicts on the shop-floor and has become an issue of the politics of the shop-floor (20). Based on first-hand and secondary sources from the field, the company's job classification scheme in 1970 can be compared with the one presented by management in 1988. It is possible to see in Table 5.1, how the number of manual job titles have changed throughout 18 years.

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Forms of Work Organisation in Industry: their implications for labour use and control in Brazil". 1989 pages 8 and 9.

20. By job classification scheme I mean a company's system of skill classification which is used to defined job titles within occupational hierarchies. This is used to set the wage structure in companies and is usually accompanied by job promotion policies.

Table 5.1

Job and Wage Classification Scheme at the National Steel Company in 1970 and 1988. Number of Job Titles Among Operators, Senior Skilled and Technical Level Jobs, in the Steel Plant

1970	1988
14 operator job titles	4 operator job titles
26 senior skilled job titles	6 senior skilled job titles
5 technical level job titles	9 technical level job titles

Sources: Job Manual. National Steel Company. 1970 and "Job Classification Scheme" as collected from the Personnel Department. National Steel Company. 1988.

As I have shown in the Introduction to this thesis, functional flexibility and work groups have been a recurrent trend among process industries in search of greater labour productivity. Although Kelly (1982:127) argues that the introduction of flexible work groups per se might not be sufficient to increase productivity, it remains an important element to be considered. Kelly has suggested, for example, that the effects of flexible work groups on productivity may depend upon the increased proportion of the working day being spent in productive activity, as work loads are raised.

The contribution of flexible work groups in increased productivity can, however, be justified by the nature of production in process industries, which involves high process variability and depends upon the swift intervention of workers to correct the course of production. Thus, according to Kelly (1982:120), the high variability and unpredictability of the production process complicates the precise allocation of workloads on an individual basis. Since work groups distribute these work loads more evenly, they can improve performance by sharing the workloads more equitably and by committing workers to intervene in production or in the execution of certain tasks.

This issue has also been addressed by Borges (1983:25), but from a different point of view (21). According to

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21. For a more general and theoretical discussion, see also Guerra Ferreira, C. O Processo de Trabalho na Indústria Siderúrgica. Uma Tentativa de Caracterização Geral. 1988

Borges, since the productivity and the product quality are dependent on workers' capacity to execute the necessary corrections in the production process, there is a tendency in process industries to introduce multi-functional work groups for core-workers, eliminating the traditional "one man/one post" arrangement. For Borges, multi-functionality is the capacity of a worker to execute one or more job assignments apart from his own within a group based organisation of work. The most significant advantage of this type of functional flexibility for management is the further integration that it allows within and between different production processes. Borges (1983:30) suggests that, owing to the semi-continuous character of production in process industries, the fixed-post type of job allocation does not allow the necessary degree of articulation and coordination. Thus, this type of production process is highly dependent on activities of cooperation between workers, which cannot be assigned beforehand by management as they depend on the flow of production at the time and the correction of unforeseen problems and machine breakdowns.

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pages 3 and 4. For an illustration of the same principle at COSIPA, see Zilbovicius, M. and Marx, R. "Autonomia e Organizaçao do Trabalho: O Caso da Industria Siderurgica". Organizaçao do Trabalho Fleury and Vargas editors. 1983 page 134. For an illustration of this principle at Belgo Mineira, Borges, R. Organizaçao do Processo de Trabalho na Industria Siderurgica. M. Sc. Thesis. 1983 pages 45-48.

## 2. The Shop-Floor Conflicts of the Period

Some of the policy changes put forward by the new board of company managers gave rise to acute conflicts on the shop-floor. The problems emphasised by workers and acknowledged by managers during the interviews, were related to the introduction of functional flexibility and the issues of job promotion and job substitution. Another important source of conflict revolved around the discrepancy between the actual job performed by a worker and the job title he received from management.

As mentioned in Chapter 4, the consultancy firm Arthur D. Little proposed, among other measures, a new job and wage classification scheme. Such a scheme was drawn up in 1974 in an attempt to re-organise the job ladder that had been created and/or eliminated during phase one of the expansion plan D. According to management sources, there was a re-assessment of the D. Little scheme in 1985, in order to take account of the immense changes in terms of job relocation and redefinition, resulting from the technological and organisational changes. Although job titles per se continued to exist, they were simplified as far as possible, detached from specific production sections and redefined in broader terms. Another measure was to reduce the number of job titles and increase the responsibilities assigned to each one (22).

It is important to note that although the company's job

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22. Interview with manager number 3.

classification scheme which was put into practice in 1985-1988 was different from the 1974 one elaborated by D. Little, it was not entirely new. Management claimed that the new scheme was still being defined and did not have the status of a formal company document (23). But the absence of an updated and formal scheme was a source of conflicts on the shop-floor, since managers, foremen and workers did not agree on the matter. It was evident in my interviews that workers continued to interpret their job titles and positions in relation to the old scheme. This problem was recognised by management, as shown by the following statement:

"The job titles defined by Arthur D. Little in 1974 ended with a problem that is re-emerging now at the plant: the problem of understanding one's job title correctly." (Manager no. 3)

It is important also to add that the job and wage classification scheme was considered a secret document by company managers, since it contained the wage differentials of all jobs. This was an additional source of great confusion and resentment on the part of workers towards the company, as they started to question whether the wages received were in accordance with the job title they believed they held. As management reduced the number of job titles and increased the descriptions of jobs, a significant discrepancy arose between the job performed by a worker and the job title entered in

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23. Interview with managers numbers 3 and 4 and an informal interview with an economist from the "Wages and Benefits" sector of the Department of Human Resources.

his work-card (24):

"After I trained on my own I was moved from being a "helper" to "machine operator". On my work-card they entered "machine operator" but we call it "rail rectifier". We rectify steel rails and that is the correct title but they don't put it down.

- Why do you think this is so?

Oh, the company is trying to be smart because it is a question of classification and wages". (Inf 5).

"I am a rolling-mill operator but on my work-card I am entered as operator. The problem with that is that operator is level six and rolling-mill operator is level 13 (so according to the worker, he earns less than he is entitled to)". (Inf 57).

"I am entered as an operator but that is not what I do.

- You mean you want management to change the title of the job you do, on your work-card?

Not only that, but change the wage level as well.

To put me as a metal milling-machine operator at least. Then I would also have a chance of getting a better job if I left CSN (because it would testify to his skill level)". (Inf. 37).

"I work as an operator of mobile equipment but I am entered as a helper.

- How long has this been going on?

Oh, one and a half years!". (Inf. 45).

Similar conflicts may arise as a result of workers comparing their own job titles and wages with those of other workers performing similar jobs. This conflict has turned into a demand called "same job/same wage" principle (princípio de isonomia), and although it existed before on the shop-floor, it was sharpened by the introduction of functional flexibility and work groups. As the following quotes demonstrate, workers have taken group action to

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24. The "work-card" (carteira de trabalho) is a work identity card which all those employed in the formal labour market in Brazil must carry. They are issued by the Ministry of Labour and must be signed by the employer as a proof of formal contract between the two parties. The employer must state on the "work card" the worker's present job and wage and change the entry whenever these are altered.



pressure management into granting what they consider to be their rights.

"A short time ago two mates from the department and I started a grievance against the company. We had the same job and had the same wage. At one point the boss came and gave level twelve for one of the mates. Then we thought that if we have the same job and the same time working at the job, we should be given level twelve as well. Then we talked to the head of the department as well as with the union (about initiating a judicial case against the company).

- What did he answer you?

That we would have to wait(...)". (Inf. 4).

"In my department we were operators on level eight. Then with the Sao Paulo metro system, we had to work much harder. We worked on average eight hours on the machines and each operator had to rectify around 100 rails. (...) Then we were divided in a group of four and had only to work six hours on the machine, but had to rectify 150 rails. Some of the group was upgraded to level ten, others were not. We started demanding to be upgraded from level eight to ten, so we could earn more. It was a serious grievance that we put to the head of our department and asked for help from the union's lawyer. We finally go it!". (Inf. 5).

As will be shown in the next section, these problems of job titles and wages were transformed into shop-floor politics when the "new unionist" union raised them in the Annual Work Agendas and demanded a change to the system. The demands which appear in the union's 1985, 1986 and 1987 Contract Agendas included, the right of "same job/same wage", the elimination of discrepancies between actual job and job title and the disclosure to the union and steelworkers of the company's "job and wage classification scheme" in force at the time (25).

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25. Sources: Clauses number 18 and 22 of the 1985 Annual Work Contract Agenda; clauses 12, 23 and 40 of the 1986 Annual Work Contract Agenda and clauses 17 and 19 in the 1987 Annual Work Contract Agenda. Metalworkers' Union of Volta Redonda.

However, the Annual Work Agreements actually signed by management and the union, show that these demands were not granted by the company. A second type of union activism thus began to provide a significant alternative means of obtaining workers' demands, through explicit encouragement of workers to use the Labour Courts, and to file legal cases against the National Steel Company. This trend has been acknowledged by the Industrial Relations Department:

"There has been a great number of grievances put forward by workers in the Labour Courts against the company (...). We have faced a lot of grievances because workers are confused about their job titles. In fact, the union sometimes helps to confuse the worker by reinforcing some of the confusion. In most cases the company has been able to win, by demonstrating in court the different types of jobs and the respective wages. (...) Of course there are some "informalities", in which workers in fact are doing much more than they were assigned to by the job title on their work card. In these cases the company has lost in the Labour Court and has been forced to pay the difference (...). (Manager no. 2).

The number of grievances put forward by workers against the company concerning the issues outlined above, has grown over the years. Information concerning this issue was collected in my field research (26). As I will discuss in Chapter 8, as "new unionism" emerged and grew on the shop-floor, workers have resorted increasingly to this channel opened to them in the Labour Courts. Although this type of

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26. According to data from the Legal Department of the Company for example, the total number of worker-claimants proceeding against the Company rose from 275 cases in 1978 to 2,781 in 1984. According to union records, the "same job, same wage" issue was third most frequent type of case, losing only to "the recognition of unhealthy working areas" and "the recognition of dangerous working areas". For more details on this see Chapter 8 of this thesis.

struggle has been interpreted by some Brazilian authors as a bureaucratic unionist type of action, because it makes use of the existing corporatist channels, I will argue that it constitutes an innovative and successful way for workers to press for their rights.

### **3. The Metalworkers Union: Advances in Organisation and Militancy**

Section One of this chapter has discussed the main policies implemented in the period 1985-1987 by management. Section Two has presented the type of shop-floor conflicts which emerged as a result of policy changes. This section will describe the general developments in the union during the period and the types of dispute and division which were emerging among the "new unionist" union officials and activists. It will also discuss the main strikes and demands put forward by workers in the successive wage campaigns in the period, and the type of union government established by "new unionist" leaders.

#### **3.1. The First Union Split and the Emergence of a "New Union Opposition Group":**

The decision to lead the ending of the 1984 strike was not easy to take. According to union leaders' perception, there was a difficult balance between achieving significant gains in their first-ever strike and knowing the right time

to stop and make concessions. Nevertheless, a meeting of the union executive and shop-floor activists decided that the executive would recommend a return to work, and at least in theory all those present were committed in presenting this proposal to the rank and file (27). However, another group, consisting of four union directors and a handful of activists viewed the situation very differently from Juarez and his supporters and took the opposite proposal to the mass meeting. Although they dismiss the label, this group came to be called by Juarez Antunes and others leaders and known by the rank and file as the "Convergência Socialist" group (28). For this opposition group, the crux of the 1984

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27. According to Juarez Antunes' own account for example:

"We got the union directors, the "Negotiating Committee" and activists together and sat down to evaluate the last negotiation with management. My idea was that we were already on the fourth day of strike and all the cards had been already given in the negotiations with management: here it is what is on the table, there is no more: There would be no punishment for strikers, no discount on days lost, and the lot. (...) While we discussed the public assembly had already started and men from the opposition were trying to put fire on the rank and file: lets go! lets put this government down! lets stop this Brazil with other strikes!: and all that. (...) While that was going on we were deciding on what position to take. Finally, after one hour we democratically voted on the proposal to end the strike. Us, the "Strike Committee" and all" (Juarez Antunes, interview 12/2/ 1988).

28. In an interview in January 1990 with two former union leaders who were expelled from office and became the "New Opposition Group", they declared that although they had become members of a left wing organisation called "Causa Operária", formal membership only began in 1989 and not before. According to them, they were labelled by other union leaders and workers as members of the "Convergência Socialista" because they were sympathetic with the positions of this organisation. But in fact, they had no formal links

strike was the confrontation with the company and the possibility that it strike would serve as a model for other workers around the country, to bring pressure on the government and even achieve the complete end of the dictatorship. For this group, any limitation in the strike's duration was a "cheap sell-out" of the workers by union leaders.

The differences between members of the union executive ended in a clear a public split at the May 23 mass meeting. Despite the fact that the executive had reached an unitary position, two different proposals were put forward at this meeting. According to the view of one of the leaders from the opposition group on the events:

"Juarez wanted to end the strike on that very Saturday. We were against that and explained to the rank and file. We explained that our strike was taking place at a very important moment in the country's history and that it was an abrasion to President Figueiredo. The movement for "direct elections" was strong at that point in time and we believed our strike would help that movement. We had accumulated a lot of hate of the dictatorship during all those years and believed that it was time to respond. In fact, our group was fascinated by the extent of workers' mobilisation during the 1984 strike. Our group tried to show the rank and file that if we ended the strike that day we would leave the strike ashamed and with our heads bowed. Our group's message came across to the rank and

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with it. According to them, the labelling of the group as by other union officials was designed to discredit and isolate them, since the "Convergência Socialista" has a widespread reputation of being an extremely radical left wing group.

The "Convergência Socialista" in Brazil is a political organisation of Trotskyist orientation which was founded in 1978. It is thought to be the most influential Trotskyist group in the country and has militant bases among the student and labour movements. In the latter, they are "sheltered" in the Workers' Party (PT) and have some influence at CUT based on their control of important unions in the country, such as the Bank Workers in Rio de Janeiro.

file and our proposal won, so the strike continued that day". (Inf. 50).

The June 23 assembly was an important landmark for the Metalworkers' Union, for it was the first time that the split among union officials broke into the open. This caused a great deal of resentment and confusion among the rank and file, as shown by the following accounts:

"Workers were very active in the 1984 strike (...) the only thing that left me a bit sad was that we pledged so much over unity and one saw a struggle among union leaders. This was sad, to see the split among the leaders. It is really a shame, so many valuable people, instead of adding efforts they were creating disputes and division". (Inf. 25).

"The 1984 strike was the first. It was a consciousness-raising strike for the rank and file but there was a split. Some workers even think that Juarez got involved on irregularities so that the strike would end". (Inf. 26).

"I don't know, I started having doubts about Juarez because although he had this special capacity to mobilise workers, in 1984 he wanted us to end the strike. There was even a split between union officials because of this. There were people who wanted the strike to continue. So he took a long time to come to our assembly and when he finally arrived he said that it was time to end the strike. A lot of people did not accept that, but, he had an incredible skill in convincing people. He would take the movement in the direction he wanted". (Inf. 13).

Despite Juarez Antunes' power and leadership image, his position was defeated in the mass meeting by a sizeable majority who voted to continue with the strike. However, Juarez Antunes and all the other union leaders were strongly supported in their view by the Catholic Church, the regional and national CUT, and by militants from the Communist Party which had started to re-organise at the time of the 1984

strike (29). According to one steelworker, who was a shop-floor activist and a member of the Brazilian Communist Party:

"There was a split in the 1984 strike. The Communist Party (PCB) agreed with Juarez's position because although Juarez had a very strong personality and led things in quite a populist fashion we did not want the Convergência Socialista to be successful or to create a parallel union. Two members from the Central Committee of the Party called me and told me: this strike must end by Sunday and you must go in the plant and help to end it. Although we only had two members inside the plant, I had developed a certain leadership with workers for being an activist and participating during the strike. (...) so I helped to end that strike". (Inf. 51).

Most probably as a result of all these combined pressures, the workers voted to end the strike at another mass meeting on Sunday, May 24. This outcome attested to Juarez Antunes' significant leadership among the rank and file. But had received a knock, since many workers were not convinced that the strike should have ended on that day and thought that Juarez was losing his "combative" orientation (30).

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29. On the past participation of members of the Communist Party in the Metalworkers' Union of Volta Redonda, see Chapter 4, Section 2 of this thesis.

30. According to the view held by ordinary workers for example:

"Some workers including myself, felt betrayed by the Annual Work Agreement because they wanted to take things until the very end, but the union thought it was time to end. The workers disliked that and many felt revolt against the union (revoltados), they thought that the strike could not have ended at that time". (Inf. 4).

"For me the 1984 strike should have continued. As I saw it, either the company paid everything we asked or we continued the strike and it would have to lay off every worker in the company!". (Inf. 11).

According to different sources, Juarez's response to this crisis over his leadership was to initiate legal proceedings in the Regional Labour Court over the "productivity" index, contained in the 1983 Wage Law (decree number 2065), which had not been granted by the company in the 1983 Annual Work Agreement when Lustosa was still head of the Metalworkers' Union. This case was judged by the Regional Labour Court in August 1984 in favour of the workers, who received a 4% increase in their wages. This restored Juarez Antunes' prestige as a combative leader and allowed him to strike hard against the leaders in the union who were opposed to his policies.

According to two members of this opposing group on the union executive, they now became increasingly isolated and were object to increasing hostility by other union officials and activists:

"After the events which led to the end of the 1984 strike, our co-existence inside the union executive became impossible. There were four of us there but completely isolated. The union's bulletins started calling us "traitors" (...)" (Inf. Cerezo).

"Things got so bad for us at one point that it was hard even to take part in meetings since those workers who were effusively pro-Juarez would physically threaten us" (Inf. Luiz).

According to different accounts, as Juarez Antunes felt his leadership grow those who were identified as members of the opposing group were expelled from the union executive and four of them returned to work at the National Steel Company, as steelworkers. After this dramatic turn of events, the



expelled group formally declared to be in opposition to the "new unionist" union and called themselves the "New Opposition Group".

The emergence of the "New Opposition Group", placed to the left of the executive, introduced a type of challenge to the new union government. For although, as we have seen, the original executive board who came to power in the 1983 elections were an aggregation of competing political views, they had been capable of producing an alliance based on common goals and objectives. The majority of this group, however, was not willing to accept the presence of people with perspectives significantly different from their own, as was the case with the "New Opposition Group".

As steelworkers from the "New Opposition Group" returned to the shop-floor they lost the protection against lay-offs which they had held as officials. This threatened their ability to continue political work inside the company and made their position, as well as the survival of the "New Opposition Group" itself even more fragile. It can be suggested that their expulsion from the union executive with the resulting loss of protection against lay-off was rendering the survival of this new opposing group something extremely difficult. Their expulsion indicated the difficulty of leader's in power to allow an opposition group to exist on a more permanent basis or to deal with them and accept competitive political ideas inside the union. As shown in the next chapter, this type of pattern of "crisis resolution", - ie, the expulsion of opposing members from the executive,

would occur twice more in the union's history up to 1990.

With regard to the issues of union democracy discussed in the Introduction to this thesis, the expulsion of competing views from the union clearly undermined an important democratic principle. It raised doubts about the democratic discourse of the leaders who were committed to the "new unionist" movement and a more democratic form of union administration.

According to union leaders and activists, the expulsion episode was a dramatic outcome for all those involved. However, as time elapsed, it tended to recede in the list of concerns, and the union carried on with its attempts to implement a new type of union government. The expulsion of the four directors did not, however, end the other disputes which were taking place between other leaders inside the union.

To a certain extent, the developments after the 1984 strike deepened the splits inside the union and intensified the struggle over who had decision-making power and the greatest legitimacy among the rank and file. According to sources, by 1985 Juarez Antunes no longer accepted that decisions inside the union should be taken collectively by its executive board. He assumed his authority in full style, invoking the "presidential" structure foreseen in the union's statutes, and a more traditional style of decision making was implemented (31).

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31. It is worth mentioning that although the new unionism group who won office of the Metalworkers' Union in 1983 wished to break with all the bureaucratic and authoritarian

At this point in time the leadership dispute expressed itself as a division between one group who wanted to centre its policies on the organisation and mobilisation of the union members, and those who placed less emphasis on this aspect and sought a more direct and charismatic mode of operation. While the first group tried to invest in long term solid organisation of workers on the shop-floor, based on day-to-day mobilisation and emergence of intermediate level leadership, the second group invested more in mass meetings and welfare oriented activities.

Union officials from the first group emphasised more collective and direct types of action in which the rank and file would take an active part and the leadership's role would be more of an organiser. By contrast, the second group reproduced a more traditional relationship between leadership and rank and file, in which power was "delegated" to the union officials. The first group centred on leaders such as Wanderlei and Wagner (32). The second group centred on the figure of Juarez Antunes, supported by Lopes and others

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structure of union administration of the Lustosas' years, a new statute for the union was only drawn up in 1989. Up to that time the old statute was formally left aside. The drawback was that whenever there was a dispute between leaders, some of the rules in the old statute were claimed to be legitimate, to reinforce the position of a certain faction against the other. This was exactly the case with the dispute about "collegiate" mode of administration versus "presidential" administration.

32. To help the reader to identify this group, it is worth pointing out that it constituted Slate 4 in the first ballot of the 1983 elections for the Metalworkers' Union.

(33).

Perhaps the best illustration of this clash of political orientations was the policy put forward by a union executive member called Lopes, in relation to his work in association with managers from the Industrial Relations Department. As we saw in Section One of this chapter, this department gained in strength during the company's democratic period. According to accounts, Lopes greatly assisted it after 1986 by deciding to cooperate with it, in his view, to the benefit of the workers. He thus became a mediator between workers and the Industrial Relations Department, meeting weekly with its Head to raise workers' individual problems and to work out solutions with management. As time elapsed, Lopes became recognised by many workers and management in that role and was thought of as effective. According to the head of the Industrial Relations Division:

"Some workers took their grievances and problems to him (Lopes) and we would meet every Monday, 8:00 in the morning over the problems. Lopes would be present at the meeting, as would the worker with the problem, so that things could be straightened out. (...) We would have a whole week to work over the problem and, many times, the issue would be settled by the next meeting. This scheme was interrupted last November (1987), by other union directors who did not agree with Lopes's scheme". (Management no. 2).

These differences within the Metalworkers' Union regarding Lopes' scheme became in fact one of the central issues in the political disputes in the union. It was thought

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33. The group made up of Juarez Antunes and Lopes amongst others, were slate number 5 in the 1983 union elections. It is worth mentioning that these two leaders would not continue as allies for much longer, Lopes being expelled from the Union in 1989 for reasons to be explained.

by some leaders that a "new unionist" union, should not accept "solutions" based on individual and personal contact between union officials and management. These union officials argued that such practices had been typical of the former bureaucratic union leaders and were not in tune with their political orientation. As I suggest in Chapter 7, this dispute reflected one of the dilemmas of the "new unionist" union: namely, the tension between incentives to "direct, collective action and militancy" and the need to deliver "goods" to individual workers, which are not always obtained by direct and collective action.

### 3.2. Major Developments of the Period

By 1985, three years after the elections of the new union executive and despite the political divisions within it, the union had been greatly re-organised and a markedly different structure from that of Lustosa's days had emerged. Union activities were organised through different departments and committees, in which active participation of the rank and file was sought. Great emphasis was put on mapping out workers' shop-floor problems - such as health and safety issues and conflicts with foremen - and on trying to deal with them through collective channels. Although by this time the company's management had not recognised any formal representation of the union on the shop-floor, the close contact between union leaders and the rank and file was helped by the fact that around 10 of the members of the

union's executive continued to work inside the plant after being voted into office. This was a significant departure from former practices whereby the bureaucratic leaders, having been voted into office, would quickly leave the plant to become full-time union officials.

This break with the past could also be seen in the nature of the initiatives put forward by the new leaders. Together with the encouragement of greater rank and file participation and a general down playing of the union's welfare role, the new leaders created the "Centre of Union History" (Centro de Memória Social) to reconstruct the union's history before and after 1964 and to serve as a basis for a "workmens' library" all sorts of written material and data on the steel industry and the organised labour movement. During this time, there was also a reformulation of the union's Legal Department, which will be discussed in detail in Chapter 8.

Union leaders tended to take up these activities which best fitted their political perspectives. While Lopes and others from his group were responsible for the administration and bureaucratic aspects of the union, plus the welfare services that it continued to offer, Wagner, Wanderlei and others congregated in the "Department of Political Education of Activists", as well as carried out the daily "agit-prop" at the companies' gates, distributing union bulletins and talking with the rank and file. The problem with this loose structure was that, as political differences grew, union directors used the different departments as "political

machines" to put through their own message and gain support and recognition from the shop-floor. Although the union continued to enjoy high prestige among the rank and file, this type of procedure tended to disperse and atomise the union's policies, weakening the unity of the leaders even further.

### 3.3. Economic Demands, Wage Claims and Strikes

As far as wage claims and economic demands are concerned, the whole period under analysis here was marked by the rampant inflation and the attempts made by workers to achieve some form of wage readjustment. Before entering into the subject of this sub-section, some observations should be made for those not familiar with Brazil's economic situation. Any discussion on strikes and wage increases in Brazil, specially during this period, is bound to touch on a series of very complicated issues (34). This is not only due to the fact that between 1979 and 1989 a series of new wage laws were passed, but most importantly, because Brazil underwent four "stabilisation programmes" between 1986 and 1989 which deeply affected the country's economy. The four programmes were: 1) the Cruzado Plan of February 1986, 2) the Cruzado II

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34. An overview of the strikes in the period 1984-1990, is given in the appendix . Since the thesis is about the relationship between the union and the steelworkers from the National Steel Company, the table refers exclusively to strikes among this group of workers. This can be justified on two grounds. Not only were these strikes the most significant and long lasting, but this group of workers constitute the most important base of the Metalworkers' Union.

of August 1986, 3) the Bresser Plan of June 1987 named after the Minister who led the plan and 4) the Summer Plan of January 1989.

The second half of the 1980s in Brazil was marked by cycles of uncontrolled inflation with cycles of price and wage freezes (35). On the whole, living standards dropped sharply and the debt crisis showed no sign of coming to an end. Although sectors of organised labour were at various times able to extract some level of wage recovery, this was not the norm. In general, as high inflation rates have tended to become chronic in the economy, reaching the dimensions of hyper-inflation, any wage increase was immediately cancelled out by the inflationary spiral (36).

The Brazilian workers, therefore, significantly lost out in wages during the 1980s, despite the birth of "new unionism" and the increase in strike activity. The recurrent cycles of "spiralling inflation", followed by government and the omission of certain price rises from the consumer price

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35. For figures on Inflation Rates during this period, see Table 2.1 in Chapter 2 of this thesis.

36. One important aspect is that the wage-adjustment laws of the period used the government's index of consumer price inflation, which was usually determined by the official statistical body. However, the index and the methods of calculation have been changed several times according to official interests in playing down certain price increases. As a result, organised labour declared this index was not trustworthy and pushed increasingly for the index produced by DIEESE (the Index of the Cost of Living - ICV) to serve as negotiating ground for wage readjustments. Based on this discrepancy, technical cadres from DIEESE produce bulletins which show the level of real wage losses. For more details on this see "Perdas Salariais dos Trabalhadores em Volta Redonda, Barra Mansa e Resende em 1986". DIEESE, Sub-Secao Volta Redonda.



index, resulted in definite fall of real wages. This brought high levels of mobilisation and a combative mood to Wage Campaign Periods, when the time came for workers to try to win back some level of purchasing power. As will be shown, however, in accordance with the political goal of the "new unionist" movement to expand political and organisational gains, workers' mobilisation also took place outside the Wage Campaign Periods.

The 1985 Wage Campaign at the National Steel Company started in April of that year around the issue of a three-monthly readjustment of wages and an increase of 115% over the INPC. The campaign ended in June with the signing of the "Annual Work Agreement" between the Metalworkers Union and National Steel Company. As we have seen, the wage law of this period provided for an adjustment every six months, according to different wage groups, and for increases to be based on negotiations over productivity levels. But despite these restrictions, the 1985 Agreement between the company and the union guaranteed wage readjustments based on the complete INPC index, to all workers. A 3% productivity bonus was granted on top of this wage readjustment (37).

In the 1985 Contract the union also reinforced important organisational clauses already accepted by management after the 1984 strike, but which nevertheless needed to be strengthened at every opportunity. They were the acceptance of the union's presence in the plant and the existence of a

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37. Source: 1985 Annual Work Agreement. Metalworkers' Union of Volta Redonda.

union's notice-board on the shop-floor.

Two further outcomes of the 1985 Agreement are also worth mentioning. The first was the creation of a committee, made up of two members from management and two union representatives, which would study the CIPA norms over a period of 90 days and propose ways of improving safety conditions in the plant. The second was another committee, composed in the same way, to study and propose ways of implementing official shop-floor representation in the plant, through the role of "union delegates" (38).

The 1985 Annual Contract also touched on issues directly related to the shop-floor politics, such as discrepancies between job title and actual job and the "same job/same wage" principle which have been discussed in Section Two of this chapter. At the same time, the Work Contract tried to set tighter limits on levels of exploitation in the plant. For example, Clause Eleven stipulated that if a worker did some form of job substitution for more than one year, he would be guaranteed promotion in his job. And Clause 13 of the Protocol obligated the company to built, in a six month period, a specially designed rest room for the workers in the coke-battery ovens who, because of the nature of their work, needed special rest-breaks.

Another important event in 1985 was the December

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38. Source: Administrative Protocol, June 24, 1987, items number 11 and 12. Together with the Annual Work Contract, the union and managers also signed an administrative protocol, to contain the detailed issues already guaranteed in the Annual Work Contract. In terms of legal status, an Administrative Protocol is as valid as the Annual Work Contract. Source: Metalworkers' Union.

national strike organised by employees of state-owned companies to protest against government decrees limiting or even abolishing certain fringe benefits, and against proposals to privatise many of the state-owned companies. The strike lasted one day and took place without many clashes with management. It might be suggested that the success of the protest at the National Steel Company was related to the fact that, on this particular issue, workers and managers shared common interests. Both groups wanted the survival of the state-owned companies, as well as the maintenance of existing fringe benefits.

Finally, on the national level, the development of the democratisation process meant that Brazilians were able to vote in November for local representation in their towns. In Rio de Janeiro 19 different political parties ran candidates and the PDT came first with 40% of the votes. This pattern was repeated in Volta Redonda. The mayor, Mario Clinger from the PDT Party, won 37% of the votes. The Workers' Party did very badly in these local elections, ending in ninth place (39).

The annual inflation rate by the end of 1985 had reached its highest levels in Brazilian history, over 200 percent, and had dashed any expectation that Sarney's government would bring the inflationary spiral under control (40). When, in 1986, the January and February monthly inflation rates

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39. Source: Primary Data Collected at the Regional Electoral Tribunal of the State of Rio de Janeiro.

40. Source: "Variação Anual da Inflação e do Salário Mínimo 1940-1989" in Que Brasil é Este?. IUPERJ 1990.

reached 16.3% and 14.4% respectively, the government announced a dramatic stabilisation plan called the Cruzado Plan (41).

For the government, a successful wage-freeze was dependent on support from CUT and CGT (42). Although the CGT came out in favour of the Cruzado Plan, CUT remained critical. While most workers benefited from the Cruzado Plan in its first months, the increased shortages and black markets which arose out of the price control policy eroded again their purchasing power and a new strike wave emerged in the country (43).

By August 1986 inflation had once again returned, and the government made a great effort to dampen it down before the November elections. These were crucial elections for state governors and deputies as well as federal deputies and

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41. Among other measures, the Cruzado Plan created a new coin, the cruzado, to replace the cruzeiro, which was devalued 1.000%, froze wages and prices overnight.

42. The Cruzado Plan changed the government's wage policy yet again. Since prices and wages were officially frozen, protection against inflation was given by a type of sliding scale locally called a "trigger" which was to replace the six monthly wage readjustments. Moreover, a new consumer price index was established - the IPC (Índice Nacional de Preços) was to serve as the basis for wage readjustments for the different categorias. However, the government rejected any compensation for past inflation, and wage readjustments were not allowed to exceed 60% of the IPC. Government also installed a policy of "free negotiations" between management and workers concerning wage increases. For more details on the Cruzado Plan, see Oliveira, C. "Política Salarial e Negociação Coletiva no Brasil". DIEESE. 1989 and Flynn, P. "The Politics of the Cruzado Plan". Third World Quarterly. Vol. 8. 1986.

43. For a detailed discussion of the strikes in this period see Moreira Alves, M. "Trade Union in Brazil: A Search For Autonomy and Organization" 1988a page 67.

one third of the senate. This group would make up the country's "Constituent Assembly", responsible for the drafting of a new Constitution. In an attempt to hold down popular discontent, government issued another series of measures, subsequently called "Cruzado II", which among other things set new rules for the readjustment of wages (44).

At Volta Redonda, by the beginning of 1986 union leaders had clearly split along party lines. Although most of the leaders had been officially affiliated to the Workers' Party, Juarez and five other members of the union executive now declared that they were splitting from the local PT and joining Leonel Brizola's PDT - Partido Trabalhista Brasileiro (45). According to the actors involved, this move was directly related to the fact that the Workers' Party in Volta Redonda was facing increasing splits and disputes between its many left wing factions.

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44. In regard to wages, Decree-Law 2302 of 12/12/1986 stated that automatic wage readjustment should be limited to the 20% level as before. Any inflation beyond this ceiling would be called a "residual" which would only be paid in the next event of 20% inflation. This resulted in a further wage squeeze for workers.

45. The Partido Democrático Trabalhista was founded by Leonel Brizola in 1979. Brizola had come from exile and wanted to regain influence over the PTB, his former Party. However, disputes over the PTB's doctrines led to Brizola creating his own party. The consolidation of the PDT came in the 1982 elections, when Brizola ran for governor of Rio de Janeiro and won with an override majority. According to Brizola's own definition, he returned from exile a social-democrat, influenced by the European and specially German social-democratic Parties. However, his style of politics draws heavily on populist practices based on direct contact between himself and the electorate, at the expense of the building of an organised political party. For more details see Dicionário Histórico e Político do Centro de Pesquisas e Documentação. Fundação Getulio Vargas. Rio de Janeiro, 1985 and Skidmore, T., The Politics of Military Rule 1964-1984. 1988.

The 1986 Wage Campaign for the steelworkers at the National Steel Company, started around March and was led by the union in a climate of great national effervescence brought on the February Cruzado Plan. The Wage Campaign ended in negotiations with management and the signing of the 1986 Annual Work Contract. Among its many clauses, two innovations are particularly worth mentioning. One was the introduction of official shop-floor representations, to be called "Factory Committee", and constituted by 14 shop-floor unionised workers. These representatives were granted protection against lay-offs, for one year from the date of their election. The second significant clause was the company's acceptance, for the first time, that it would disclose its Job and Wage Classification Scheme to the union and workers (46).

Despite the advances obtained by the union in the 1986 Work Contract, they were not put into effect because of the shift in managerial policies which followed the October strike in 1986. It is worth noting, however, that they indicated the commitment of the union leadership to ideas from the "new unionism movement", such as the creation of shop-floor representation and greater democracy in the relations between managers and workers.

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46. Source: Administrative Protocol, items 18 and 19. Metalworkers Union. 1986. Although this clause might not seem very significant, it should be seen against the background of authoritarian exclusion of workers from any significant information about the company, even information directly regarding employees. Furthermore, as already discussed in Section Two of this chapter, this whole issue had been at the centre of the conflicts on the shop-floor.

As for monetary benefits, the 1986 Work Contract was an important achievement in face of the limits imposed by government. A wage readjustment of 6.2% was made retroactive to March 1986, and 100% bonus was introduced for overtime and a 44% bonus for the workers' annual vacation (47).

In October 1986, in a re-play of the December 1985 national protest strike, the state-owned employees organised to protest against government's further restrictions on their fringe benefits and against the increased threat of privatisation. At the National Steel Company, the adopted strategy was that the strike would occur outside company's premises. Only vital equipment was to continue working and, as in other strikes, only those officially designated by the union were to continue working inside the plant. Surprisingly for the union, steelworkers and public opinion in general, and against all the rhetoric on democratisation, the Sarney government called in the army to break the strike. As noted by Oliveira (1989:12), since it was politically difficult for Sarney to declare himself against strikes, repeated attempts were made to justify the repression on the grounds that the movement was a "political strike" and threatened law and order.

Although the military police had already entered the National Steel Company's plant in the 1984 strike, this was the first time that the army had occupied the plant. According to different accounts, it used full military

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47. Sources: Administrative Protocol, Item 1 and 1986 Annual Work Contract clauses 2 and 4. Metalworkers' Union. 1986.

equipment such as machine-guns and tanks. In face of the events, union leaders and workers quickly announced defeat, organised the end of the protest strike and went back to work.

The national elections of November 1986 brought a very important development in Volta Redonda. Juarez Antunes, the union's president, who was a candidate for Federal Deputy in the Constituent Assembly, won with a large vote from the electors of Volta Redonda and neighbouring region. Juarez Antunes then went to live and work in Brasilia, but did not leave the office of president of the Metalworkers' Union and remained a presence in all the major events which occurred among the steelworkers. As I will show in the next chapter, although many workers voted for Juarez Antunes in this election, many were not happy with the way the union was relating to national politics. Some workers felt manipulated by the union leader, on the grounds that he had allegedly used his prestige with the rank and file to launch a political career outside Volta Redonda (48). Here are two illustrations of such views:

"The union was doing very well until this last campaign in which it became involved in politics. They have shown (the leaders) that they are not there for an ideal, that is, the working-class. They want to "make themselves" politically (have some legislative or executive job) and

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48. It might be suggested, based on union records and interviews, that this type of thinking was quite common among steelworkers. In a union bulletin of September 1986 for example, there is a one page text entitled: What purpose does a Federal Deputy have?". The text is signed by the union and tries to indicate the close relationship between the problems workers face locally and the national level political structure. Source: Union Bulletin, number 9, November 29 1986.



are using the union for this. I don't like that. I think that if they entered the union they had to work for the class and not use the union as a springboard for another activity. Look what happened, the union president ran for deputy and other officials running for other posts!". (Inf. 36).

"(...) There was some quarrelling with the leaders at the union because they worked to help us but also had other interests. Political interests, you know? An interest in being elected deputy, as Juarez did. He was very interested in our cause until he got his name known and was elected. Makes you lose confidence in the union (...)" (Inf. 42).

On the other hand, other workers applauded Juarez's move on the grounds that the greater the number of Constituent deputies from a working-class background, the more likely they would be to defend the interest of workers. I return to this important issue in Chapter 7.

By December, as the Cruzado Plan faced mounting problems and inflation began once again to eat away real wages, the widespread support for the government decreased sharply. The CUT called for a general strike and even the CGT - an occasional supporter of the government - joined forces. It was to be the second national strike in the country since 1964, to protest against rising prices and the general immobility of the Sarney government.

At Volta Redonda, the Metalworkers' Union made a widely publicised call to support the national strike. The town, already mobilised by the recent national elections and the widespread protest vote, strongly responded to the call. But a few hours after the strike was declared the army once again came to Volta Redonda. As a result of this clash, five union leaders were jailed and later released. All of this repression came as a shock to many workers who thought that

there could be no justification for the government to throw the army against striking workers. It can be suggested that in this way the government unintentionally "politicised" the strikes at the National Steel Company even further.

Although the strike mobilised many workers in Volta Redonda this general strike of December 1986 was thought to have been quite unsuccessful in national terms. It not only showed that there was much to do in terms of labour organisation, but also underlined the ambiguous position of some rank and file workers who had not yet developed a clear-cut critique of the Sarney government, despite all the problems they faced. According to Roxborough (1989:95), the failure of the general strike produced a re-thinking among the CUT and CGT which now declared their willingness to discuss a social pact with the government. However, this position was quickly revised by CUT, and talks between government and this Confederation broke down in January 1987.

By 1987 there had been major developments at the National Steel Company in the shop-floor mobilisation and organisation work sought by a group of union leaders and activists. End-of-shift meetings in the various production departments were taking place on a regular basis, and the organisational channel opened up by the work around the CIPA was being used to its full extent. Outside the plant, meetings were also taking place at the union headquarters, as well at its office in Retiro, which was even more closer to workers' housing districts. Although the company had not formally recognised the existence of shop-floor

representation, activists had relative freedom to carry out their mobilisation policy inside the plant.

According to accounts and union records, in the period between the end of the May strike in 1984 and August 1987, there were 212 shop floor activists at the National Steel Company, enrolled with the Union (49). These workers were willing to establish formal links with the union leadership not only by giving their names, but also by committing themselves to organise shop-floor meetings and to work as an intermediate type of leadership between the base and the union.

The growth of shop-floor mobilisation around the CIPA was an important instrument for raising workers' awareness and the level of discussion about their problems, especially as the CIPA dealt with crucial health and safety issues and allowed for formal representation on the shop-floor. Within this context of expanded shop-floor mobilisation and organisation, the 1987 Wage Campaign Period could rely upon a highly mobilised workforce. Among the list of grievances presented by the union to management, the main economic demands were: the payment of a 10% productivity bonus and a real wage increase of 120% over and above the readjustments established by law. Other demands included: job stability for all the company's employees; and the recognition of all "dangerous and unhealthy working areas", starting at the plant's gate and not only those areas previously considered

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49. Source: "List of Activists of the Metalworkers' Union, from the National Steel Company 1983-1987". Metalworkers' Union of Volta Redonda.

as such.

Negotiations broke down very early in the process, and management called for a dissídio coletivo in the Labour Court. In face of this, the steelworkers declared themselves on strike in April and occupied the plant. This was to be the fourth "occupation strike" in the company since the emergence of "new unionism" in Volta Redonda. According to accounts, it was a solidly organised strike, with a developed network of activists and union supporters.

The strike lasted five days. Management made no attempts to repress it, and eventually conceded a full readjustment in accordance with the inflation based index plus a 10% increase in wages, even before the ruling of the Labour Court. This was thought to be one of the best wage settlements in the country during the period (50). Union leaders and workers explained this success by the level of organisation and mobilisation in the plant at the time.

At national level, as a result of increasing difficulties and boycotts by some industrial quarters and the return of inflation, Sarney's government declared yet another plan - Plano Bresser - in June 1987. By then inflation had returned steadily and the "wage trigger" had

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50. The steelworkers Annual Wage Agreement was considered by advisers from DIEESE to be "the best" wage settlement in the country in the period. The 10% increase over the INPC, was better than the 5% obtained by the Metalworkers' of Sao Bernardo do Campo or the 5% and 7% increase obtained by the Metalworkers from Angra dos Reis. Source: "Evaluation of the 1987 Annual Wage Campaign". DIEESE/ Volta Redonda. 1987 page 3.

become a monthly measure (51). The Bresser Plan froze wages and prices for 90 days after which wages were to be adjusted monthly by a new index, the URP (Unidade de Referencia Padrao).

Among the many criticism made by organised labour of the Bresser plan, one of the strongest was that it had "disappeared" with 26.06% of inflation when the consumer price index was changed. "Reposition of the 26.06%" became a national banner for all categorias of workers until managers and even some Labour Courts finally accepted it in 1988.

However, despite the labour mobilisation, real wages dropped sharply and the economy moved into recession. The CUT and CGT responded by calling for another general strike in August 1987, but despite some mobilisation in Sao Paulo, the ABC industrial region, and in Volta Redonda, it was a failure in national terms. At Volta Redonda, the one day national strike stopped production at the National Steel Company, where only vital equipment was kept working. Considering the events which had taken place in December 1986, the union this time called for the steelworkers to stay inside the plant gates and not to allow any sort of provocation.

Although the union officials continued to have high prestige amongst the rank and file, the response by some workers to this national strike was not as favourable as in the case of the previous strikes. As I will show in Chapter

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51. Despite the Cruzado Plan the annual rate of inflation in 1986 had been 65% and the monthly rate had reached two and three digits in the early part of 1987. Source: Que Brasil é Este?. IUPERJ 1990 pages 40-41.

7, some workers questioned the "opportunity" and "justice" of the union in leading a strike which some workers regarded as "political". Faced with the reluctance of some steelworkers, the strikers used the method which they call "arrastão", which is a mobile picket line. Although most of the workers interviewed regard the "arrastao" as a legitimate practice, some opposing views regard it as anti-democratic and indefensible. This issue would deepen some of the differences between and among steelworkers and union leaders. As it was becoming the norm on these occasions, the army was called in to the steel plant yet again. Unlike in December 1986, however, when the army adopted a low profile and the rank and file workers were unwilling to clash with it, a confrontation of limited proportions took place. According to a union leader who witnessed the events:

"By this time the workers had seen the army inside the plant three times in a row and they lost a bit of their fear. At one point the army decided to expel the workers from the plant at any cost. The soldiers were carrying bayonets and a exchange of insults started between both parties. This developed into physical assaults. There were around 800 workers in the open patio, beside the railway line, plus around 3,000 running around the plant to stop production. (...). As the aggression began, the workers on the patio reached out for the rocks that lie besides the railway line. The workers started throwing rocks at the soldiers and we, the union leaders, started shouting at them to stop. However, by this time there were around 4,000 workers involved and that is impossible to control. It was the army's fault for it should never have provoked the workers, they should have given the example of order. Immediately after this, 4 leaders and 10 activists were jailed but later released. The strike was called off, a few hours after it had started". (Veiga and Fonseca 1990:71).

The following days marked a turning point in relations between union leaders, steelworkers and company management.

Most probably as a result of pressure from top government officials and the gravity of the clashes between soldiers and workers, company management laid-off all the union leaders who still worked in the plant, many CIPA representatives and ordinary workers. In all, 58 employees were dismissed, 22 of them were either union officials or CIPA representatives. Under the CLT Law, union leaders have immunity against lay-off during the time when they are union representatives and for one year after their mandate ends. However, there is a procedure which allows for the lay-off of a leader, in situations where it is alleged that the union official has acted criminally or subverted discipline. The clash between the workers and the army was interpreted by the company as a "incitement to disorder". The law further states that the dismissal of a union official can be provisionally ordered by the company, subject to rectification by the Labour Court after a "legal investigation" into the company's decision (52).

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52. The Official Note from the National Steel Company on the dismissal of workers which followed the strike reads:

"As a result of the acts committed by a group of employees, led by members of the Metalworkers' Union on August 19 and 20, when the plant was invaded, workers and foremen attacked and equipment damaged, the company's administration has immediately started an "administrative inquiry" for the identification of those responsible. It is seeking the defense and protection of its employees, the preservation of the company's assets and internal discipline in the plant. A legal inquiry has began for the dismissal of those who, as a result of stability, cannot be laid off, this is the case of the union officials and some Cipa representatives. At the same time, as allowed by law, these people have been temporarily laid off, until the court decision takes place. Moreover, the other employees who have been identified as having taken part in the events were laid

The August 1987 events marked the end of the company's "democratic" rhetoric. They were followed by further repressive procedures, such as the closing down of all bipartite commissions and the annulment of all the "organisational clauses" guaranteed by past Annual Work Contracts and Administrative protocols. The right of entry of union leaders, discussions on shop-floor and the organisation of factory committees were suspended, and a period of direct repression and political persecution inside the plant was inaugurated.

Those who stayed in the plant and had any commitment to militant activity, saw their actions constrained, with the threat of dismissal hanging over their heads. As will be shown in detail in Chapter 6, the ordinary workers defined this situation as one of great "repression", and for some life inside the plant became unbearable.

#### 3.4. The 1986 Elections in the Metalworkers' Union

Elections for the executive board of the Metalworkers' Union take place every three years. As shown in Chapter 4, although the "Union Opposition Group" was organised in 1979 and ran for office in 1980, the leadership change only took

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off as "just cause" (...). The company would like to clarify that it will seek all the superior instances of the Judicial Power for the maintenance of its initial decision, that is, the dismissal of those responsible for the events." National Steel Company. The Administration. October 28 1987.



place after the 1983 elections, ending four consecutive terms of office for bureaucratic union leaders.

According to the statutes, July 1986 was the deadline for the holding of new union elections. The union leaders were having to prepare for their first challenge at the ballot box. As the splits between the union executive and the "New Union Opposition" had continued to grow and accentuate, the "New Union Opposition Group" saw the elections as a chance to challenge Juarez's leadership and to test the extent of their support.

Three slates appeared for the union elections. Slate One was made up of the executive board in office at the time. Although the executive had split earlier in the year on the question of party affiliation and although differences were sharpening between the two groups, this did not develop into a political split inside the union. The union leaders in power remained together and formed Slate One, with Juarez Antunes once again candidate for union Director. Slate Two was made up by the "New Union Opposition Group", who were labelled as "Convergência Socialista". Finally, Slate Three consisted of a group of older workers who had contested the 1980 and 1983 union elections. This slate was led by Jair, whom many identified as involved with management's interests.

The result of the union election was a resounding victory for Juarez Antunes' slate which obtained 86% of the workers' votes. According to accounts, this not only gave the union leaders in power a real sense of legitimacy but also showed the isolation of the Slate Two - the "New Opposition

Group" - who gained as little as 6% of the votes. The support for Slate Three was also very small, with 6% of the votes (53).

According to various accounts, this victory gave the union leaders the support they had been waiting for to press harder for changes in the union while continuing with the work of shop-floor organisation and mobilisation. However, with the end of the company's democratic policy, union leaders and activists faced increasing difficulties in developing a new mode of union government.

Although the large majority vote for the "new unionist" leadership can be interpreted as a sign of its legitimacy among the rank and file, the small number of votes for the competing slates may also express constraints upon the democratic tolerance of oppositions. If "closeness of elections" is taken as one indicator of union democracy, as discussed in the Introduction, it is possible to suggest that the opposition was very weak and in no position to influence union policies. It can be further suggested, as already raised in section 3.1 in this chapter, in the event of expulsion of an opposing group from the executive, that the almost monopolistic type of power exerted by the "new unionist" leaders undermined their discourse of a more democratic union administration.

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53. Source: "The Election Results". Union bulletin. Metalworkers' Union. July 1986.

#### 4. Conclusion

This chapter has examined the major political developments regarding shop-floor activism and the orientations of the Metalworkers' Union in the period 1985-1987. In accordance with the analytical framework proposed by the labour process theory, these developments were analysed in relation to the company's managerial policies regarding the workforce and the organisation of labour. Still within this framework, the developments in national politics - ie, the process of further democratisation and the economic role of the state-owned steel plant in the economy - were brought in to help explain the type of developments in the period.

It was indicated that company's orientation made an important shift in the period, to inaugurate policies of a more democratic and consensual nature towards its workforce. The company generally referred to this as the "humanisation of the plant". The democratic character of the policy was demonstrated in the acceptance of union activism inside the company and on the shop-floor, and in the honouring of the organisational clauses achieved by the union in the 1984 Agreement, after the strike. The company also sought out other policies of a more consensual and participatory nature. Thus, it attempted to share the design of some policies with steelworkers, especially on issues of direct concern to them such as health and safety. Perhaps the best illustration of this democratisation process was the re-organisation of the Industrial Relations Department and the introduction of a

more effective policy of dialogue with workers, through the sending of "industrial relations analysts" on to the shop-floor.

At the same time that the company was implementing a more democratic policy towards its workforce, it was also seeking to improve product quality and productivity levels. The chapter particularly stressed two important moves in this direction. One was the rationalisation of the Planning Department, with the introduction of ergonomic studies and greater control over workloads. The other was the introduction of policies striving for greater flexibility in production. Having created in the 1979-1984 period a dual type of labour market, with core and non-core workers (see Chapter 4), the company implemented flexibility policies in relation to its core workers: the operators and the maintenance workers. Work groups and functional flexibility were the two most important innovations of the period.

By bringing in the contributions of authors who have studied process industries and job redesign such as Borges (1983) and Kelly (1982), it was suggested that these policies recurred in other process industries. For these authors, flexibility and job redesign are related to attempts to raise productivity by increasing the involvement of core workers in the production process. As there are high levels of variation and unpredictability in the production process of process industries, management is dependent on core workers' willingness to intervene to correct the course of production. Work groups can contribute in improving productivity levels

not only because workloads are more equitably shared, but also because process industries are highly dependent on activities of cooperation and integration between workers in a still semi-continuous type of production process.

One of the main arguments developed in the chapter was that company policies on flexibility created or accentuated some significant shop-floor conflicts. As the number of job titles tended to decrease and job responsibilities tended to grow, a discrepancy developed between the job performed by a worker and the title entered on his work-card. Functional flexibility and work groups also produced conflicts around the grievances over job advancement and the "same job/same wage" principle, as workers compared their jobs and wages with those of other workers.

Since the Metalworkers' Union in this period was strongly rooted on the shop-floor and had expanded the level of organisation and mobilisation, the shop-floor conflicts mentioned above were organically turned into shop-floor politics. This took place not only through the union's coherent and assertive presentation of demands to the company on these problems in the Annual Contract Agenda, but also through the innovative use of two other channels opened to workers by the CLT Law.

The first type of innovative activism which took a stronger form after 1986, consisted of the politicisation of the CIPA, through the election "new unionist" activists as CIPA representatives. The second type of innovative activism was the support given by the union for steelworkers to make

use of the Labour Court, against the company.

During the period analysed in this chapter, the steelworkers at the National Steel Company engaged on strike activity in five different occasions. However, despite the growth in shop-floor militancy and the expansion of "new unionist" politics, some questions started to emerge within the unionist movement in this period, especially in regard to the following points. First, some of the new union leaders found it difficult to tolerate different or opposing points of views inside the union, such as those held by some members of the union executive and some close activists. As shown, these opposing members were expelled from the union executive. They later organised themselves into a "New Opposition Group" which, though still identifying completely with the "new unionist" principles, held positions thought to be "to the left" of the union executive.

The second type of question was related to the further intensification of differences between the remaining union executive members - clash which, for analytical purposes, has been located here as an opposition between those who placed greater emphasis on "welfare type services", for individual workers, and those who placed greater emphasis on more direct and militant activity, focused on a more collective level.

The third type of question, also associated with the issue of tolerance of different political views, related directly to union elections. Although the strong support for the "new unionist" leadership in the 1986 elections may be interpreted as a sign of positive evaluation of their

policies by the rank and file, the negligible number of votes given to both opposing slates taken together with the non-tolerance of competing views within the union executive, may be interpreted as a sign of a type of power monopoly in the union, bringing into question the rhetoric of commitment to more democratic forms of union government. In the light of these problems, the chapter brought in the debates on union democracy raised in the Introduction to the thesis, and suggested that although some of the conditions of democratic union rule were met by the "new unionist" leaders, other conditions, such as tolerance of permanent oppositions and competitive election results, were not.

A fourth type of issue raised by developments in the period was the emergence of some rank and file questioning of the role that union leaders should play in national level politics. The candidature of Juarez Antunes and other union officials for legislative posts in the 1986 Constituent elections, raised the question of what should be the link between union and party politics. This is a rather traditional type of dilemma placed between the leadership and the rank and file. Because the union leadership is engaged in broader political exchange (Pizzorno 1978) - with employers and with the state, for example - and because the rank and file usually have a more localised experience, a difference of opinion may develop between them about the definition of union goals. While the rank and file's goals may be restricted to local issues, union leaders' goals may perceive intervention in national politics as necessary.

Finally, the company's "humanisation" policy was completely turned around after the strike of August 1987, when there were clashes between workers and the army. All the union officials who had remained working inside the plant and some of the CIPA representatives were laid-off, and all the organisational clauses accepted in the 1984 Agreement were no longer recognised by management. These developments raised new problems for the internal organisation of the union and the development of shop-floor politics. These issues will be looked at in the following chapter.



CHAPTER 6  
MANAGERIAL "REPRESSION" ON THE  
SHOP-FLOOR AND AGAINST THE UNION. THE  
DEVELOPING DILEMMAS OF A "NEW UNIONIST"  
UNION. THE PERIOD AUGUST 1987-1990

This chapter shows a process of further rationalisation in the company's policies, especially in the bureaucratisation of its employment policies and a change in the internal labour market. It also discusses the period after the shift away management's democratic policies, in August 1987, and the introduction of what workers called "repression". "Repressive" managerial policies sought to ban workers' organisation and hinder union penetration on the shop-floor. Still according to steelworkers, "repressive" managerial policies also affected the organisation of work, in the form of greater vigilance and demands on workers.

The chapter argues that the shift away from democratic policies was not only the result of the August 1987 strike, but also reflected the company's deepening indebtedness and the greater threat of company privatisation. At the same time, phase three of expansion plan D came to an end, raising expectations of an increase in the company's productivity levels. All these pressures helped to inaugurate a managerial policy of "production at any cost", which not only jeopardised a more consensual form of co-existence between workers and managers on the shop-floor, but also worsened working conditions in the plant.

Section Two explores the most vigorous shop-floor conflicts in the period, which were related to the changes in company employment policy and the anti-democratic turn. This section goes on to show that despite management's attempt to end the previous shop-floor organisation, workers re-organised into clandestine committees. Work around the CIPA and the use of the Labour Courts to sue the company over health and safety issues also expanded in the period.

Sections Three and Four provide a micro-analysis of the development of the "new unionist" movement in the period 1987-1990 and the inter-connections between local and national level politics. The chapter closes by showing the major dilemmas faced by the "new unionist" leadership.

## 1. Company Policies in the Period 1987-1990

### 1.1. Major Trends in Company Policies

Between 1987 and 1990 the company continued to implement flexibility policies, such as the introduction of functional flexibility and the creation of work groups as described in Chapter 5. After 1987 two other significant policies were developed: 1) the implementation of a bureaucratic system of employment and promotion, and 2) the creation of an "employees' bank" to support the new employment and promotion policies. Two other important innovations in this period involved a break with the company's original internal labour market structure and increased requirements for formal

education and training of the workforce.

It is suggested that the underlying objectives of this new phase in the company's history were two-fold. On the one hand, the company rationalised its policies further, with the aim of improving productivity and administrative operations. On the other hand, the completion of phase three of expansion plan D implied the need for greater skills in some jobs and retraining of others.

Phase three was an important stage of expansion plan D, in terms of technological innovation. This was so not only because it completed the switch from the SM to the LD process of steel-making, but also because it involved the introduction of sophisticated methods for the shaping and finishing of steel (1). As follows, I will look at these developments in greater detail.

The creation of a bureaucratic system of selection and promotion of the company's workforce was implemented by establishing a clear set of rules and regulations for the recruitment and selection of new employees, as well as for the promotion of company employees. These new rules stipulated that company criteria for selection and promotion of its workforce were to be based on the levels of formal education and/or formal training, accompanied by an extensive system of exams and scientific evaluations. According to

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1. With phase three of expansion plan D, the continuous galvanising lines, the continuous annealing lines and the electrolytic lines were installed. These lines give special treatment to flat steel plates and sheets and allow for enhancement of the product's attributes and quality. Sources: "Some Informative Data on the National Steel Company". 1984 and "Production Line". 1988. National Steel Company.

company records:

"The company's administration has intensified efforts to modernise and rationalise its services (...). The company has institutionalised a system of public exams for all its admissions, as well as for the upward mobility of its employees inside the company. It has consolidated the system of "evaluation of performance" created in 1986 as well as implemented an "evaluation of employee's potential system" (2).

At least in theory, this new system was presented as a formal and bureaucratic framework, with which to curb clientelist networks and discrimination against certain workers. As shown in Chapter 4, the issue of job promotion produced great resentment and conflict on the shop-floor, as workers considered themselves to be subject to many injustices at the hands of their immediate supervisors. It was also shown how the system of promotion which predominated at the time, allowed great scope for action through personal relationships. We saw in Chapter 5 that problems were acknowledged by the company's new board of directors in 1985, who were faced with the need to rationalise and bureaucratise the company even further. This awareness of the problems grew over the years, as the following statement attests:

"The objective of this new workforce policy of instituting public exams is to establish equal opportunity for each employee. The process of promotion will be the result of competition and merit rather than the result of someone's interference or reference.(...) In the past, workers applied for one particular job and thus a minimum was required of them. Now it is competition based on clear-cut job descriptions and definition of the candidates' requirements. Thus, the evaluation is made within a group of candidates who have those minimum requirements and the job will be

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2. Source: Annual Report. National Steel Company. 1987 pages 3 and 4.

offered to the best amongst them. (This is in contrast to other criteria such as seniority, personal relationship with the boss and so forth)". (Manager no. 1).

The company also created an "employees bank" in this period. The data-bank sought to "map out" areas of the employee's life about which the company had no organised information, such as his occupation, length of service, and level of formal education and training. This information was to be used by the administrative and production departments to identify appropriate candidates for job openings and, together with public announcements, to guarantee more impersonal and bureaucratic recruitment and selection of workers within the company (3).

The bureaucratisation of recruitment and promotion policies was accompanied by a turn away from the closed labour market system. As clearly stated by the head of the Personnel Department:

"By 1987, the company's policies in regard to recruitment, selection and internal promotion had changed a great deal. Although the policy states that we should give preference to the company's employees to fill a job vacancy, we can seek other candidates outside the company, if the candidates available do not fulfil the requirements for a particular job (...). Through this policy, the company opened to the outside labour market for jobs with particular skills, not needed before that time in the plant and unavailable in the internal labour market" (Manager no. 3).

According to this new corporate thinking, if no candidate with appropriate qualifications was found within the "employees bank", priority would be given, first, to

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3. According to a source, it was only in 1987 that it became compulsory for shop-floor management to announce job vacancies on a public board. Source: Interview with company manager no. 3.

workers from sub-contracting firms working inside the company and, second, to candidates in the labour market outside the company. My interviews with management suggest that this policy shift resulted from a lack of employees with appropriate qualifications, despite the company's training drives in previous years (4).

Greater bureaucratisation of the company's employment policy was also accompanied by an increase in the demand for formal education and/or training of its employees. As already suggested, this fact can be related to the greater complexity of both new machinery and the process of production, following the completion of the expansion plan D (5). In the period under analysis here, 1985-1990, formal education and training, together with exams and scientific evaluations, became the most important criteria for workforce promotion. According to one manager:

"One of the objectives of this new workforce policy is for the employee to make a career inside his own ladder. If he is an operator for example, he should remain so, with the promotions being only vertical. Horizontal promotion will occur as the result of formal education and training and if the applicant passes the exams which have been instituted. Today all horizontal promotions

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4. It is worth noting that a study produced by the company and IPPU in 1978 on the needs brought by the implementation of phase two of the expansion programme, forecasted that the company would have particular problems with the number of skilled workers in relation to the size of the new demand, in particular jobs such as: mechanics, welders, electro-electronic maintenance workers, machine-tool operators and steel operators. Source: Volta Redonda, Indústria e Mercado de Trabalho no Setor Secundário. National Steel Company and IPPU. 1984.

5. As an example of this trend, the "Training Plan for Expansion" was created in the company in 1982 and 9,687 employees were to be subject to some form of training scheme. Source: Annual Report. National Steel Company. 1982 page 4.

are to occur by public exams" (Manager no. 3).

The important point to make here is that this new employment scheme marked a departure from the previous stress on seniority and practical knowledge acquired on the job. As we have seen, the former system was also strongly influenced by the foreman's discretion on the shop-floor. According to the same manager:

"Although we will try not to demotivate the more senior worker, we no longer demand a minimum time of experience at a job as a requirement for employment at this job or promotion to this job. Today what counts is the candidate's level of schooling and the evaluation of his technical capabilities, not practical experience, as in the past." (Manager 3) (6).

The overall process of change in the company's requirements for employees' level of schooling, is presented in the following table.

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6. It should be noted however that despite this change, there is still a need for on-the-job-training according to the same manager:

"Even when we recruit from outside the company, the candidate has to undergo a period of training inside the company, before being finally employed in his job" (Manager 3).

This may be due to the specificity of in process industries, where sheer theoretical knowledge and expertise is not a sufficient condition to carry out the production process. For more details on this point see Introduction Chapter to this thesis and Borges, R. Organização do Processo de Trabalho na Indústria Siderúrgica. 1983 pages 100-102 and 179-187.

Table 6.1

Composition of the Workforce by Level of Formal Educations, as Percentage of Total Workforce in the National Steel Company

Year	With-out Formal Edu.	Primary	Lower Second *	Second *	Technical Edu	College De-gree
1970	2.0%	48.7%	32.8%	(a) -	(a) 11.0%	5.5%
1990	0.0	61.5%	(b) -	(b) 9.4%	21.0%	7.7%

\* The different educational headings found between 1970 and 1990 are related to the "Brazilian Educational System Reform" which took place in 1976 and reorganised the educational system.

(a) 11.0% refers to a aggregate data on upper secondary and technical level, in 1970.

(b) 9.4% refers to data on secondary level education as a whole, ie, the former lower and upper secondary levels.

Sources: "Buletins of Industrial Relations" cited by Pimenta, S. A Estratégia da Gestão. 1989 page 382 and, data collected at the Personnel Department. National Steel Company. January 1990.



When one compares the 1970 data with the 1990 data, it is possible to identify a general rise in the educational level of employees. By 1990 not only did all employees have at least primary education, but the number of employees with a diploma from a technical school had increased from 11% in 1970 to 21% in 1990. This second increase must be taken with caution however, since information on upper secondary and technical level education were aggregate data in 1970. It is important to note that the data on "lower secondary school level" questions the idea that a clear-cut increase in the workers' formal education levels was taking place. For whereas in 1970 the distribution between those with primary, lower and upper secondary levels was around 49%, 33% and 11% respectively, in 1990 the number of those with primary school education increased to around 62% while the number of those with secondary level decreased to around 9.5%. Thus, it is possible to conclude that although the company employees' level of schooling did increase - with the elimination of those without formal education and the growth in the number of those with primary levels of education - the number of employees with only the basic four years of formal education is still quite high, at 61.5%.

It is possible to interpret this trend towards higher requirements for formal education with the requirements of a process industry at a certain level of technological development. After having divided its workforce between core and non-core workers, transferred the latter to sub-

contracting firms and directed flexibility policies towards the core workers, the company was demanding increased educational levels from its workforce as the result of the greater complexity and sophistication of the production process (7).

The new emphasis on education and merit gave rise to a new type of career ladder in the company. This new job ladder would be significantly different from the internal market of the past, where unskilled workers could work themselves up to the job of senior skilled worker, through on-the-job-training, short courses and experience. Perhaps the best illustration of the company's new priorities is the gradual replacement of the senior skilled worker by the technical skilled worker. The former title used to require experience and expertise, resulting from long service in the plant. But from 1985 onwards the senior skilled job tended to disappear as a higher career level, as workers retired and their jobs were not occupied by new workers. The next move up the ladder from skilled jobs would no longer be to senior skilled but to either skilled maintenance or technical level jobs. Both the

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7. I have not found any reference in the literature on the steel process industry in relation to requirements for a higher educational level. Thus, it is hard to assess if this is a particular development of the National Steel Company or if it has been overlooked by other authors. Borges has raised a point about formal education and informal training which is of interest to us here: even when greater levels of education and training are pursued, one of the trends in process industries is to continue to provide incentives for on-the-job-training. This is justified on the grounds that continuous process industries have to rely heavily on workers' practical knowledge since the process is highly unpredictable and subject to unforeseen occurrences. For more details see Borges, R. op. cit. 1983 pages 100-102 and 179-187.

latter job titles required formal education and technical training.

The overall re-distribution of skills in the plant, and the change in the characteristics of the company's job ladder, can be observed in Table 6.2, where data from six different years are presented:

Table 6.2

Skill Composition of Workforce as Percentage of Total Workforce in the National Steel Company, 1975-1990

Year	Unskill- ed	Semi- Skilled	Skilled	Senior Skilled	Technic. Level	College Degree
1975	11.0%	24.0%	43.0%	10.0%	7.0%	5.0%
1980	2.9%	15.4%	52.1%	14.7%	8.5%	6.4%
1984	4.5%	10.2%	51.6%	12.7%	14.0%	7.0%
1988	1.0%	6.0%	51.0%	11.0%	25.0%	6.0%
1989	1.4%	6.0%	52.1%	8.6%	27.0%	4.9%
1990	3.0%	5.0%	50.0%	11.0%	23.0%	8.0%

Sources: Pimenta, S. *A Estratégia da Gestão. Fabricando Aço e Construindo Homens*. 1989 page 179 and "Monthly Report". Industrial Relations Department. National Steel Company. December, 1989.

It is possible to observe in the table above the process of change in the job ladder for groups of skilled and non-skilled workers. The most significant change in the fifteen-year period seems to be that whereas the number of senior skilled jobs as a percentage of the workforce practically remained the same, the percentage of technical level jobs increased from 7% to 23% of the total workforce. On the other hand, while unskilled and semi-skilled jobs accounted for 11% and 24% of the workforce in 1975, they constitute only 3% and 5% in 1990.

Finally, if we compare the data in table 6.1 with table 6.2, it is possible to say that although there was no clear-cut increase in the educational levels of the company's employees, the company did significantly raise the skill composition of the workforce. This can be observed in the non-employment of workers with less than primary education, in the sharp reduction of unskilled and semi-skilled jobs, and in the significant increase in the number of technical level jobs.

## 1.2. Final Remarks

Chapter 3 described the employment system in the company in the 1970s and showed how it operated within the classical definition of an internal labour market found within the steel industry (Stone 1973). Job openings usually arose only at the very bottom of the ladder, for unskilled and semi-

skilled jobs, and workers tried to move up from there. Job promotions were based on seniority, on-the-job-training and management discretion.

This initial structure suffered progressive changes over time. First, in the period 1979-1984, the separation of core and non-core workers and the creation of two labour markets. In this transition, many of the unskilled and semi-skilled jobs were eliminated from the company's employment ladder and transferred to sub-contracting companies. In the second period investigated, 1985-1987, the introduction of flexibility policies for the group of core workers, especially process and maintenance workers. Functional flexibility and creation of work groups was followed by a redefinition of job descriptions and the emergence of command hierarchies within the work groups.

Finally, in the third period under investigation, 1987-1990, the policies of previous periods were expanded and a bureaucratic system of selection and promotion was introduced. As we have seen, this process was accompanied by two important developments. One was a more aggressive policy of raising educational requirements for the workforce. The other was the opening of the internal labour market to outside applicants when a job vacancy could not be filled by a company employee for lack of the appropriate qualifications.

Although it is too early, in historical terms, to say conclusively that a clearly new pattern is under way, this case study indicates a break with the system of internal

labour market traditionally found in the steel industry. A final question concerns the long term consequences of this new internal labour market structure, for the stabilisation policy sought by the company in relation to its core workers. As we have seen in Chapter 4, drawing on authors such as Guerra Ferreira (1988) and Borges (1983), one of the characteristics of technological modernisation in process industries is not only the differentiation between a group of core and non-core workers, but the implementation of policies to "stabilise" the former group. This policy takes the form of improved employment status and wages in comparison with non-core workers and in which some form of stability policy is applied to encourage long term employment in the company. The question to raise here would be how this policy will evolve, vis-a-vis the new internal labour market and the lesser benefits of seniority among its core workers, allied with the opening of employment at skilled and technical levels.

## **2. Company Policies and Shop-Floor Conflicts in the Period**

### **2.1. Conflicts Over Access to Higher Levels of Education and Training**

Although the bureaucratisation of employment and promotion policies was intended to rationalise a system that discriminated against some workers and favoured others, the new company requirements for formal education and training

created a new set of conflicts between workers and managers on the shop-floor. With the exception of company training projects, the initiative in obtaining higher levels of education and training, as well as the resources in money and time, had to come from the workers themselves. This generated conflicts on the shop-floor, relating with the difficulties faced by workers to engage in further education and training.

Although conflicts on this issue were aggravated after 1987 with the intensification of the new company's policy on education, it is worth recalling that they had been present before on the shop-floor, particularly with regard to the discretionary power of foremen and lower management over workers' transfers from one work group to another or over changes in shifts. Night and day shift alternation ruled out regular attendance at education courses. Thus, to be refused this meant in practice that one's job became a "blind alley", one, with no prospect of promotion.

Once again, the arbitrary authority of foremen and lower level management in granting rights of transfer to some workers but not to others, sparked a great deal of conflict and feeling of injustice among workers. As stated by workers:

"I am a "paneleiro" and I can work myself up to "paneleiro IV" but I cannot become "senior skilled paneleiro"

- Why not?

Education, I would have to have a technical course. Before it was not like that, the chap only had to have experience, now... it is very difficult if you don't study". (Inf. 16).

"I have no conditions to go back to school and today at the company who does not study gets nothing. I have only one more level to go, after



that I am stuck. The competition over jobs will go to other chaps with education. So it is difficult. By seniority I was supposed to take the job of a senior skilled worker but they put another guy in my place. This guy is studying, going to technical school. I don't mind that he got it but this is very discouraging". (Inf. 25).

"I would like to change my job and work with computers, but for that I would need to have a technical course. I don't have more than primary school. I have asked them (the foreman) to change my shift to day shift so that I can study in the evenings but they did not allow it. I even spoke about this with a social worker but they did not allow my transfer in my department. I am waiting up to today". (Inf. 4).

As I will show in Section 3, this shop-floor conflict was taken seriously by the union and was transformed into one of the issues of the politics of the shop-floor of the period. This appeared not only as a demand in the Wage Campaign Agendas, but also during the strikes and negotiations between workers, managers and government which took place in the years 1988 and 1989.

It is too early to say how the new educational requirements will affect the upward mobility of workers in the job ladder or the levels of motivation of the workforce. Zilbovicius and Marx (1983:136), who studied another steel company in Brazil, found a similar type of shop-floor conflict over the company's policy of using levels of formal education as a major criteria in the evaluation and promotion of workers. According to the authors, this created conflicts because it differentiated a qualification acquired outside the steel plant, of a theoretical and general nature, from on-the-job-training acquired in the plant and accessible to all.

Zilbovicius and Marx, noted a de-motivation in the work of those who did not seek further education. Some workers understood that there was no benefit in acquiring consistent on-the-job-training and mastering their own jobs, since this did not result in any promotion or any financial compensation.

At the National Steel Company at present it is not yet clear how the "blind alley" jobs will affect the organisation of work or the company's attempt to expand its productivity levels. But clearly these are important issues for the future.

## 2.2. Company "Repression" and Other Shop-Floor Conflicts

The period under analysis here was also marked by the return of coercion over workers on the shop-floor. The company's democratic policy disappeared completely after 1987, inaugurating a new period of repression and constraints over workers' militant action. As we have seen in Chapter 5, the change in policy followed the clashes between steelworkers and the army, during strike of August 1987. Here I will suggest three other reasons which might account for the change in company policy. First, the company's worsening financial situation led it to press further on workers' productivity levels, while the completion of phase three of expansion plan D had placed management under intense government pressure to push for results and use the new

technology to its maximum advantage (8). It might thus be suggested that since the union imposed constraints over irregular or dangerous working conditions, it would limit management's scope to drive up production "at any cost".

Secondly, as time went by, the company's expectations that the union would become more bureaucratic had failed to materialise, on the contrary, it was becoming more militant. Moreover, stronger links between the union and the rest of organised labour were established in this period, one example being the August 1987 National Protest Strike called by the national and regional CUT and led in Volta Redonda by the Metalworkers' Union.

Thirdly, it might also be suggested that although the company did inaugurate a democratic discourse in 1985, this did not result in very significant changes for workers' day-to-day shop-floor life. As I will try to show, the emphasis of top company management on democracy and greater integration between workers and managers was not completely acknowledged by foremen and lower level managers on the shop-floor. In the workers' view, largely formed by everyday experiences on the shop-floor, management's policies were felt to be coercive, even during the "democratic phase" of the company. Workers describe this relative increase of management coercion in the plant as "repression" and identify its beginning with the aggressive policy of the director of

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8. See Table 3.2 on Chapter 3 on the company's deficit during the 1980s.

the Department of Production, Ari Souto, after 1987 (9).

What workers termed "repression" referred to two sets of managerial policies. One was a system of imposing greater vigilance and control over workers, under the threat of disciplinary procedures and dismissal. The other was related to the introduction of repressive measures against the union and the management's repudiation of the "political clauses" contained in successive Annual Work Agreements since 1984. I will analyse the first type of "repression" in this section and will deal with the political repression against the Metalworkers' Union in section three of this chapter.

The increased vigilance and control of workers on the shop-floor was most probably related to management's need to increase production and decrease the number of stoppages and interruptions in the production process. This policy expressed itself in strict disciplinary rules as well as the application of measures which, though existing as written rules, were not applied before, owing to "custom and

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9. Ari Souto was an engineer specialised in metallurgy. He had worked in another state owned company - COSIPA - before being invited to join the National Steel Company. Ari Souto was already known in COSIPA for his authoritarian style of management. His major professional triumph was to have increased COSIPA's productivity levels. However, he is thought of by workers at the National Steel Company as the one who took the equipment to the limits and increased the number of work accidents. For more information on COSIPA's performance see Zilbovicius, M. and Marx, R. "Autonomia e Organização do Trabalho: O Caso da Indústria Siderúrgica". Organização do Trabalho. Fleury e Vargas editores. 1983 pages 124-145.

practice" (10).

What follows are some accounts of how workers perceive this "repressive" form of management:

"It has been production at its most lately. They (management) are demanding the maximum from us. There are a lot of supervisors now threatening to lay-off workers for nothing (...). They humiliate the worker hoping that the worker will react and create a justification to lay him off". (Inf. 27).

"Before workers were used not to take orders as they were given. The type of responsibility which one had was discussed and many people did not comply easily. Lately everyone is feeling the same thing. For the slightest problem one is laid off and since finding a new job nowadays is so hard, everybody is complying". (Inf. 36).

"Repression means that there is greater demand upon workers. They (management) are now 24 hours on workers' shoes, controlling every step we take. You cannot leave 5 minutes early, you cannot go to the washroom as you wish. They are demanding a lot". (Inf. 43).

"Lately they have increased their demands on workers. There is no break for us any more. There is greater repression, greater demand and production has increased a lot. They have even taken half-and-hour of our one hour meal break and do not allow workers to talk between themselves". (Inf. 4).

The Director of Operations, Ari Souto, besides being responsible for implementation of the company's policy to increase production, was also seen by workers as having a

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10. An example of a "custom and practice" procedure is the fact that workers were able to sleep during short periods of time, while working in the night shift. Although this was clearly irregular from the point of view of the company's statutes, it was part of the "custom and practice". According to the shop-floor culture, it was legitimate to sleep when production was low or as a result of a division of labour established by the night shift workers.

With Ari Souto's administration, a "vigilance squad" was created to check out on workers and it was declared that those caught sleeping during night shift would be disciplined or even dismissed.

very personalist and authoritarian style of managing (11):

"(...) People talk a lot about Ari Souto, about threats of dismissal, coercion and his style of directing meetings. If production is not reached according to his will, he just lays off the responsible person. (...) He came from COSIPA and has a very authoritarian style". (Inf. 55).

"It started up there with Ari Souto and it comes all the way down, they have repressed a lot. There are a lot of people being persecuted, a lot of persecution around. The head of our department has really become very demanding". (Inf. 42).

According to workers, management "repression" also showed itself in the reduction of the meal breaks from one hour to half-an-hour (although the company pays for one hour), the end of coffee breaks, and greater controls on chatting, long breaks to the toilet, etc:

"In the past we had one hour to eat and rest. Now we have thirty minutes, the rest it is paid for but we cannot use it in full". (Inf. 29).

"They have ended the coffee break. I work eight hours standing up. We used to have a small break in the middle of the shift but this has changed. Now we only sit down to rest a little during our meal break". (Inf. 38).

"Today the worker is not entitled to a day bonus to have a day off and sort his things out". (Inf. 42).

Finally the "repression" was also experienced, according to workers, in the pressure put on them to work under unsafe and improper conditions, in a policy of "production at any cost". It was alleged by the informants that the plant's equipment was working at full capacity and was often not

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11. Ari Souto's style of management at the National Steel Company can be characterised as a "ritualisation" of authority. His style created a myth among company employees. This was due to the direct and strict way in which Ari Souto went around the plant giving orders and initiating rows with supervisors and engineers, despite the presence of workers.

being properly maintained. Many maintenance workers stressed that there was a reduction in the preventive type of maintenance and that the equipment was not being properly cared for, thus creating additional danger for workers. In fact, in November 1988 the most important Open Hearth furnace in the plant caught fire and was almost lost. In this accident two people were killed. An inquiry set by the government confirmed workers' allegations about inadequate maintenance, improper running of the equipment, and exposure of workers to dangerous conditions. This event illustrated what workers claimed to be taking place around the steel plant as a whole. According to workers:

"Although management was developing a plan to prevent accidents at work, only this year (1988) there have been 7 fatal accidents in the plant. There is also a great number of accidents which are not reported and in which the worker continues working. I attribute this to the great "running about" that one finds in the plant. Production has been accelerated and the plant today is beating its own production records. (...) The equipment is being taken to the limit". (Inf 53).

"There is a lot of pressure on us. They are putting a lot of pressure and the result is the increase in accidents. People are working as they can inside and the equipment is not bearing the strain either. (...) They are not being properly maintained". (Inf. 56).

"We are being pressured to work at any cost in the plant. We are obliged to do the job in the time stipulated by management, no matter what. Even without conditions, there are no spare parts, and the worker has to find his own solutions, no matter what". (Inf. 33).

The aggregate data on dangerous working conditions and the number of accidents in the plant are presented in the following tables. It is possible to observe in Tables 6.3 and

6.4 that despite the "Zero Accident Programme", not only did the number of accidents grow in this period, but their "degree of gravity" also increased.



Table 6.3

Number of Accidents With Loss of Work-Time	
Year	Number of Accidents
1985	81
1986	97
1987	83
1988	66
1989	58

Source: "Realizações e Perspectivas". 1990, page 7.  
National Steel Company.

Table 6.4

Index of Seriousness* of Accidents at Work, with Loss of Work-Time	
Year	Index of Seriousness*
1985	401
1986	553
1987	229
1988	811
1989	669

\* According to the National Steel Company, the index of Seriousness is obtained by calculating the relation between the number of workers in production X lost work hours by accidents, and the total of workers/hours worked.

Source: "Realizações e Perspectivas". 1990 page 7.  
National Steel Company.

As I will show in the next section, the problem of "repression" and the issue of dangerous working conditions were taken up as an important banner by the union. A grievance calling for "an end to company repression" appeared in the union's 1988 Wage Campaign Agenda and was on the top list of demands during the May 1989 negotiations which took place directly between the Metalworkers' Union and the Minister of Labour. It will further be shown that, although the repression instated in the plant after August 1987 hit hard at the existing shop-floor organisation, it did not eliminate it completely. It will be shown how workers organised in "clandestine committees" during the period.

Finally, as already mentioned in Chapter 4, shop-floor conflicts over dangerous and hazardous working conditions have been a central issue for this group of steelworkers, for a long period of time. It is possible to argue that, in the 1984-1987 period, the union politics, the work of the CIPA representatives and the cases against the company in the labour courts allowed for a relative improvement. But the situation with regard to working conditions deteriorated once again in 1987. The use of the labour courts by union and workers to extend their rights of protection against dangerous and hazardous working conditions will be taken up in greater detail in Chapter 8 of this thesis.

### 3. Company Repression Against the Workers and the Union After August 1987 and the Consequences for Union Politics

#### 3.1. Company Repression and the Metalworkers' Union

As we saw in the last chapter, company repression of political militancy and shop-floor mobilisation inside the plant took its full force immediately after the August 1987 strike. Altogether, 58 employees were dismissed, 22 of whom were either union officials or CIPA representatives. The turn to repression also involved the closing of all bipartite commissions and annulment of all organisational clauses guaranteed under past agreements. Union leaders were denied entry to the plant and shop-floor discussions on, for example, the organisation of "factory committees" were suspended. Those militants who stayed in the plant were constrained with the threat of dismissal.

The onset of company repression shook the union in significant ways, for not only did it interrupt shop-floor organisation and cut with the organic link allowed by the presence of union officials in the plant, it also raised new issues for the internal organisation of the union. The union wanted to incorporate the sacked workers into its administration but that would mean an impossible burden in terms of wages; in the end it was only the union officials and some CIPA representatives who became full time union officials.

The incorporation of these new officials, all trying to influence decision-making on short and long-term issues, created new problems and splits within the union executive. The case of Elmo illustrates this process. Elmo, a senior skilled worker at the National Steel Company, had been a union official since the 1986 elections and was laid-off in August 1987. After this, he was incorporated into the union as a full time official. However, as he pointed out:

"I was used to work inside the company as an activist and did not know how the union worked or the administrative things that were involved in the running of a union. As it turned out, myself and four other officials discovered irregularities around 3,000 US dollars which had been sent to us from a foreign institution. Things got really bad with the rest of the directors, specially those linked to Juarez, who started to put pressure for us to resign."

Although Elmo and the other four officials were not able to prove their allegations of financial mismanagement, they ended up resigning from the union executive, as a direct result of pressure from the rest of the group of union officials and the impossibility of holding on the their posts. It might be suggested that this episode showed the increased level of conflict within the union leadership and the difficulty of implementing a democratic type of union government and clear forms of accountability about union decisions.

### 3.2. New Developments on the Shop-Floor and the Dilemmas of the "New Unionist" Union

Despite the "repression", activism inside the shop-floor slowly returned after 1988, even though the threat of lay-offs and individual persecution of workers were still high. According to accounts, past practices of militancy, developed from the days of the "Union Opposition Group" in 1979, were re-activated in clandestine committees:

"In 1988 some organisation started to re-emerge on the shop-floor. The idea was to start grass-roots groups in as many different departments as possible and expand them over time. In principle it would be clandestine activity, and the major innovation was the proposal that each one of these groups would write its own "shop-floor bulletins" and distribute them among colleagues. The union would give financial support for the production of these bulletins. Each group had a different code name. In the meetings inside the shop-floor, we would have a good number of workers. At one point in my department, we printed around 400 bulletins and distributed them among the workers. In the union we would meet between 10 to 15 workers and discuss the developments of our work inside our own shop-floor department (...). The themes covered in the shop-floor meetings were related to specific problems of each department, as well as general problems common to all workers, such as wages, safety at work and the "repression". The theme of "repression" was very popular among the mates. We also had weekly meetings in the union with those who were more committed with the work". (Inf. 40).

"The grass-root groups were clandestine groups. For example I am an activist in a certain department on the shop-floor and I talk to workers individually and try to commit them to come to meetings (...). Since there was a lot of "spies" on the shop-floor at the time, we developed codes amongst us so that we protected ourselves against these spies". (Inf. 26).

According to informants, there were at least seven clandestine factory committees with code names related to the shop-floor activity. At first, owing to the danger of being discovered, only those workers identified as reliable were

invited to take part. As far as I know, the leaders of these committees were made up of young activists who had been politicised by the strike events and shop-floor mobilisation. The innovative aspect of this new shop-floor type of organisation was that it took shape without the direct participation of the union, since its officials were banned from the company's premises. Although the union backed them up, these committees had a high level of autonomy. One union official wrote the following about the emergence of these shop-floor groups:

"(...) The workers started to organise inside the steel plant. Why did they do that without the union? Because the union could no longer enter the plant, only through its weekly bulletins. Ever since the August 1987 strike no union official had the right to enter the plant. The workers started their own shop-floor committees and of course, the union gave them all the support they needed. However, when the union was informed about these new developments, the shop-floor organisation was well under way. (...). This proved how their organisation was autonomous from the direction of any particular political orientation". (Veiga e Fonseca 1990:77).

Although the above statement could give the impression that autonomous shop-floor organisation was welcomed by the union officials without any restriction, it seems that this was not quite true. The extent to which there was a tension between these autonomous shop-floor groups and the union was raised by a shop-floor activist who was one of the leaders of the committees:

"(...) Sometimes the union was not happy with the way we developed our movement inside the shop-floor or the types of demands and grievances raised by these groups. I myself was once called into the union by the executive. They said to me: "you should understand that the times are not appropriate for this type of demand, etc". My position, together with other mates on the shop-floor, is that these shop-floor committees are independent from the union. (...). The base is the base.

If we need the union officials we call them, we meet with them. Of course, there has been a process whereby shop-floor leaders became union officials, so there is a strong link between both levels. The link is made but with independence from the union executive. Although we are linked to the union, we are independent from the union in terms of ideas". (Inf. 51).

This issue illustrates one of the major dilemmas of the "new unionist" movement, which may be stated as follows. Although the new leadership is committed to autonomous organisations at the shop-floor level, it is faced at the same time with the danger of seeing the emergence of a "parallel union", that might threaten their own leadership.

This type of dilemma appeared not only in connection with these new shop-floor committees, but was also present in the militant use of the CIPA. We have seen in previous chapters how CIPA became a channel for increased activism of workers after 1986. According to workers, the CIPA before 1986 was not very effective because its representatives were not all militant activists. Elections for CIPA representatives were under the control of the company and the work done by CIPA was not very effective (12).

After 1986, however, as a result of the general increase in mobilisation and organisation on the shop-floor, elections for CIPA representatives were strongly organised by union officials and shop-floor militants. In practice this meant that shop-floor activists put their names forward as

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12. It should be noted that from 1978 up to 1988 the official format of the CIPA was one of a bipartite committee, with representation from company management and workers, under proportionality rule related with the size of the workforce and the degree of danger in the nature of the productive activity in the plant. For more details see Section 1.3 in Chapter 4 and Section 1.1 in Chapter 5.

candidates and usually won the mandate. Although I was not able to obtain full data on the election results for the CIPA over the years, I found a strong relation between activists and CIPA representatives. In other words, many of the shop-floor activists whom I interviewed were also, or had been at some point in time, a CIPA representative inside the steel plant.

I have interpreted the use of the CIPA under these new grounds as an innovative practice of the "new unionist" union in which what was to be a bureaucratic committee created by CLT Law, was turned into an instrument of political mobilisation on the shop-floor. What before was a channel opened up by governmental legislation to allow for some discussion and improvement in the high levels of accidents and hazardous working conditions in the country's factories and plants, was used by the "new unionist" leaders as an additional channel for mobilisation and organisation of workers, in meetings and courses (13).

The use of the CIPA by the "new unionist" leaders and activists had two important effects. The first was to allow for an extra channel of mobilisation and organisation of

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13. Based on an educational booklet on the CIPA by CEDRO (Centre for the Defense of Workers Representation) in Sao Paulo and a survey carried out by IPEA/IPLAN on state-owned company employees and the democratisation of the management/workers relation, it is possible to suggest that the politicised use of CIPA by workers is not exclusive to the steelworkers at the National Steel Company. According to both sources, this practice has been a trend among other groups of workers under "new unionist" unions. For more details see CEDRO, "Manual on the Rights Granted by CIPA". Sao Paulo. 1988 and IPEA/IPLAN, "O Trabalhador e a Democratização das Relações de Trabalho nas Empresas Estatais". Brasília. 1990 pages 24-25.



workers, in meetings and courses, around an issue so dear to them, namely health and safety issues. The second effect was that by electing shop-floor CIPA representatives with "new unionist" ideas, a new channel was created for workers' representation on the shop-floor and the emergence of intermediate level leadership. Since the job of a CIPA representative was defined and regulated by CLT Law, this new leadership could have a legal existence inside the company and even be protected against dismissal.

The additional point to make here, however, is that as the activities around the CIPA became more and more grounded on the intermediate level leadership, the union executive exerted less control over this channel. It was observed during fieldwork that this channel was used by many workers who were in opposition to the union but nevertheless had developed sound roots on the shop-floor. Perhaps the best illustration of this point is the way in which the "New Union Opposition" group, slowly developed a strategy in pursue of the election of its members as CIPA representatives (14).

The previously mentioned dilemma between encouragement of shop-floor organisation and threat of loss of direct leadership influence is clearly illustrated in this case. Although the "New Opposition Group" was only able to obtain a small number of votes in the union elections of 1986, members of this group were able to become CIPA

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14. This point has been made by the leader of the "New Opposition Group", called Cerezo as well as by union officials, Wanderlei and Jadir, among others in interviews in January/February 1990.

representatives by capturing workers' votes on the shop-floor (15).

#### 4. The Wage Campaigns and Strikes in the Period 1988-1990. Developments Within the "New Unionist" Union

In this section I will present the major developments in the period 1988 to 1990, in regard to the wage campaigns, strikes and conflicts which took place in the National Steel Company. It is argued that these developments were significant because they further illustrate the problems and dilemmas which emerged in the "new unionist" union. This section will show how the disputes between factions inside the union reached crisis point, in face of the developments in the period and how stronger criticisms were addressed by the rank and file to the "new unionist" leaders. Steelworkers critique centred on the calling of national level strikes at the National Steel Company and the lack of demarcation between union politics and national level politics.

This period illustrates, perhaps more strongly than any other period under investigation here, the close links between union politics at local and national level.

##### 4.1. The Developments in the Year 1988

Despite the government's stabilisation plans of the previous years, the accumulated inflation rate for 1987 had

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15. This was especially true in the 1989 CIPA elections.

reached 415%. This made the wage increase issue a high priority for workers in the 1988 Annual Work Contract Agenda. The monetary demands included: 1) wage readjustment, based on the DIEESE's cost of living index and not the government's URP, for the period between May 1987 and April 1988; and 2) a 26.06% wage recovery to offset the inflation rate which had "vanished" under the Bresser Plan (16).

The other demands of the Annual Work Contract agenda included, among others: 1) job security for all employees; 2) 40 hour work-week with 36 hour work week for those on night shift work; 3) an "end to the "repression" inside the steel plant"; 4) readmission of all those laid-off by the company in August 1987; 5) establishment of a formal principle of "same job/same wage"; 6) a "workers' CIPA" with representation exclusively by workers and the organisation of the CIPA election exclusively by the union; 7) official company recognition of union representatives elected on the shop-floor, and 8) disclosure to the union of the company's Job and Wage Classification Scheme (16).

Given the repressive atmosphere which predominated in the plant after the August 1987 strike, and given the advanced nature of the demands put forward by the workers,

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16. Source: Items 1, 2, 3, 4 and 5 of the "Annual Work Contract" Agenda, "The 1988 Grievances to Management". Metalworkers' Union. March 25 1988.

For more details on the Bresser economic plan and the consequences for workers wages, see "As Relações Trabalhistas" in "Brasil 1987: Relatório Sobre a Situação Social do País". UNICAMP 1989.

16. Source: Items 8, 11, 13, 20, 21, 22, 30, 31, 32 and 34 of the "Annual Work Contract" agenda. "The 1988 Grievances to Management". Metalworkers' Union. March 25 1988.

negotiations with the company soon broke down. Management took an intransigent position. It alleged that it had no autonomy to decide and was dependent on CISE's resolutions for the granting of monetary as well as other demands. It must have seemed that management was pushing the union for a test of strength. Perhaps management calculated that workers were in no condition to strike because of the developments since 1987 and the repression inside the plant.

However, instead of fear or acquiescence, management's position generated high levels of workers' mobilisation. This was justified by workers as related to their great dissatisfaction with the inflationary erosion of wages and the generally coercive atmosphere in the plant. As we have seen, despite the repression after August 1987, workers were once again organised through shop-floor committees and work around CIPA. Moreover, although restricted to the plant gates and unauthorised shop-floor entrances, the union was once again engaged in grass-roots work.

On the other hand, although the clandestine committees were working successfully, it was difficult for the union leaders to assess the level of mobilisation amongst the rank and file as a whole.

Since phase one of my fieldwork was carried out during this period (April/July 1988), I was able to attend several of the public assemblies and meetings called by the union (17). The mass meetings were attended by 8,000 to 10,000

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17. For details on my fieldwork during this period, see Chapter 1.

workers, according to union estimates, and they attested to the fact that workers were putting pressure on the union to strike. After two weeks of meetings and negotiations between union officials and management, talks broke down with the declaration of a dissidio coletivo by management. The union then recommended strike action to its base, which immediately endorsed the call.

The May 1988 strike was the steelworkers' sixth "occupation strike" at the National Steel Company and lasted only two days. (See Appendix of the thesis). It can be suggested that owing to workers' high level of mobilisation and a particular conjuncture for the company, management called for negotiations immediately after the start of the strike and an agreement was quickly worked out (18).

The final Agreement was a 39,65% wage increase pending a ruling by the court (19). Although the union's organisational proposals were not granted, the strike secured a major gain in that the company ended with the differentiation of employment rights between those hired after 1983, by granting them the same benefits as those allowed for the other groups of workers.

The negative outcome of this May 1988 strike was the

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18. The developments from the beginning of the "Wage Campaign" Period, the organisation of the strike and the finalisation of the agreement between the Metalworkers' Union and company management can be followed in union bulletins of the period. Sources: Bulletins of the Metalworkers' Union, numbers 310 to 363, from March 29 1988 up to June 6 1988.

19. Source: "The 1988 Work Contract Agreement". Metalworkers' Union and "The Collective Agreement of 1988". National Steel Company, June 3 1988.

emergence of a split between three union officials and the rest of the executive board. The opposing group was led by the union official Lopes, who had been having a difficult time in maintaining his position inside the union since 1985. Officially, the dispute broke out because Lopes alleged at a mass meeting of some 8,000 workers that Juarez Antunes and his supporters were using union funds to promote Juarez' campaign for mayor in the forthcoming November elections. Although this allegation might have been correct, the public audit which was carried out was not able to prove it.

This incident only scratched the surface of the real disputes which were taking place between Lopes and other union leaders, on ideological and political grounds. In fact, as shown in Chapter 5, Lopes' position within the union had always met with criticism from other union officials, because of his policies which the others defined as "populist" and "demagogic". Lopes emphasised the administrative aspects of the union and held that welfare services should continue to be offered, even by a "new unionist" union. He was in favour of direct negotiations with the Industrial Department in the plant, to sort out the individual problems of steelworkers. In short, Lopes' position directly clashed with the views of other union officials who were in favour of a more militant political orientation for the union.

In any event, the union leadership dealt with yet another internal crisis in the same way as it had done in 1984/1985 and in 1987, when groups of opposing members were expelled from the executive or had to resign, unable to carry

out further their union mandate. In August 1988, Lopes and the two other union directors involved in the dispute were expelled from office after a meeting in the union executive. Once again, this illustrated the "new unionist" leaders' incapacity to conciliate opposing views within their own politics. Yet again it undermined the union's commitment to a democratic union regime.

After their expulsion, Lopes and his followers made the dispute public in newspaper articles and radio broadcasts, and tried to undermine the work of the "new unionist" union with allegations of corruption and mis-management. Lopes and his group presented themselves as a formal union opposition group in the June 1989 elections for the Metalworkers' Union. By this time, Lopes was officially linked to the CGT and presented his electoral platform as an opposition between the CGT's "unionism of results" and CUT's "classist unionism". I will return to the union election in Section 5 of the chapter.

At the national level, 1988 was a very important year in the democratisation process when the final results of the Constituent Assembly were voted on in Congress. The amendments to revise the corporatist system and the CLT Law produced a strong debate among workers' confederations. The issues of union autonomy from the state and the end of the union tax, were top on the agenda (20).

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20. In Chapter 2 I discuss the issue at greater length and show that although the "new unionist" movement was strongly in favour of dismantling the corporatist system, they voted in favour of the maintenance of the principle of "union unicity" and for the maintenance of the union tax.

The new constitution was adopted in October of 1988. Many authors have interpreted it as of liberal orientation despite its failure to advance of the land reform issue (21). In terms the general rights of workers, there is a consensus that workers' rights were expanded in the Constitution by, for example the installation of the 44 hour working-week and a political amnesty for all workers who had been dismissed as the result of strike activity. On the other hand, there are competing views about the fate of corporatist system and the Labour Code under the new Constitution (22). Although the principle of union unicity and the union tax remained under the new system, some of the changes can be regarded as significant, most notably: 1) the Ministry of Labour no longer held any right of control and supervision of the unions, which were free to organise their own statutes and internal structure; 2) shop-floor representation of workers became a lawful activity, to take place in every company in the country; and 3) the CIPA became a committee exclusively of workers, with the presidential post to be held by workers and with the expansion of the index for proportional representation (23). Finally, although subject

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21. For a detailed debate on the issue, see Chapter 2 of this thesis and "Os Direitos Sociais na Nova Constituinte" Cadernos CUT. January 1989.

22. For more details about this debate, see Souza, A. "Do Corporativismo ao Neo-Corporativismo: Dilemas da Reforma Sindical no Brasil". 1988 and Martins Rodrigues, L. Partidos e Sindicatos. Escritos de Sociologia Política. 1990

23. Source: "A Nova Constituição Brasileira". October 1988. For a detailed assessment of workers' rights in the new Constitution, see "Os Direitos Sociais na Nova Constituinte", op. cit. 1989 and Keck, M. "The "New Unionism" in Brazilian



to further legislation, the right to strike was proclaimed legal.

At the National Steel Company, workers were facing a severe wage freeze during this period. The government had recently "eliminated" the June and July URP of wage adjustments, in a context of high inflation levels. This was producing great dissatisfaction among workers who, according to accounts, were finding it difficult even to pay their food bills. As soon as the new Constitution was signed, workers all over the country started putting pressure on employers to adopt the new rights granted by the Constitution. At the National Steel Company, the most important issue became the implementation of 44 working-hour week because of the harsh working conditions faced by steelworkers (24). Company management, however, insisted that there was an economic impossibility in implementing a cut on the working hours.

Management's intransigence on this issue, together with the tight wage squeeze, may help to explain the declaration of yet another occupation strike in November 6, 1988 (25). It was a local strike which emerged out of local problems, relating neither to a wage campaign period nor to any

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Transition" in Democratizing Brazil, 1989.

24. According to Articles XIII and XIV of Chapter 2 of the new Constitution, the duration of a working-week could not exceed 44 hours (eight hours per day) or, six hours per day in cases of continuous-shift industries. Source: Constituição da República Federativa do Brasil. 1988 page 12.

25. Inflation rates in the months between April and November 1988, were on average between 19% and 27% monthly. Source: "Macrométrica" / Jornal do Brasil Research Unit. February 1990.

national level movement. The strikers demanded: 1) adoption by the company of the 44 and 36 hour working week; 2) wage readjustments incorporating the June and July URP, the so-called 26.06% of the Bresser Plan; 3) an end to what the workers called "repression" in the plant, and 4) an amnesty for all workers and union representatives dismissed in August 1987. It is worth noting that these demands were not at all radical for the period, since the 1988 Constitution had granted the 44-hour and 36-hour-working week and the amnesty. Moreover, the 26.06% of the Bresser Plan had by this time been granted to other groups of workers from the private and even public sector, such as the bank employees from Banco do Brasil and Vale do Rio Doce.

Through previous strikes, union leaders and steelworkers had gained experience in occupying the Getulio Vargas steel plant of the National Steel Company. On all occasions, the plant's equipment had been well taken care of and the strikes had ended without problems. As the November 1988 strike was officially called, the union took the usual steps to guarantee the vital equipment and mobilised the workers to stop anyone from continuing to work (26). Company directors had publicly declared to the media they would not give in "one inch" to the workers' demands and that they would wait

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26. The careful preparations for the occupation strike, the advice to workers on the maintenance of equipment and the general organisation of the strike were the subject of an extensive interview with two union officials, Wanderlei and Wagner among others, and can also be studied in the union bulletins before and during the strike. Source: Union Bulletins numbers 452 to 470, November 1 to 23 1988.

for workers to grow tired and go back to work (27).

On the second day of strike, President Sarney and his military advisers ordered the army to occupy the Getulio Vargas plant and break the strike, for the fourth time in recent years. That night, the army occupied the plant as a war zone, with tanks and military trucks, machine guns and bayonets. The next day the tense situation exploded into direct clashes between workers and the army. Guerrilla tactics were applied by the soldiers, while the workers improvised with the material resources they had available. It has been estimated that at the time of the worst clashes, there were around 7,000 to 8,000 workers inside the plant, making it even more difficult for the union leaders to organise and exert authority over them (28). When the army started shooting at random, the workers concentrated around the steel-making plant and set up barricades. Three young steelworkers were shot dead and 100 others were wounded.

As news of the army occupation and the workers' deaths spread around the country, all the organised social forces and prominent political figures publicly denounced Sarney's action and demanded a non-repressive end to events. By the time the violence subsided, many union officials had been jailed and communications with those inside had broken down.

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27. According to a newspaper, the President of the National Steel Company declared to the media: "the steelworkers seem very euphoric, we will use the tactic of winning them through exhaustion". Jornal do Brasil, November 9 1988.

28. Information on the November 1988 strike has been obtained from interviews with informants 14, 20, 22, 26, 51 and 54 and newspaper cuttings from Jornal do Brasil and Folha de São Paulo, November 1988.

Juarez Antunes, now nationally known federal deputy, and other major political figures finally negotiated a safe exit for the strikers in the early hours of the following day. As workers left the occupied plant, they wore masks to avoid being identified and later persecuted by the company and the police, which increased even further the dramatic character of the events.

The November strike at the National Steel Company did not end then, however, but continued for 15 more days outside the plant while the army remained inside. After the three deaths and many injured workers, support for the union and its leaders grew even stronger. Despite the fact that the plant was not producing 13,000 tons of liquid steel per day and that stocks of tinplate in the country were almost exhausted, the government did not give in to the workers' demands (29). Instead, it once again started to raise the possibility of privatising the National Steel Company, most probably to place additional pressure upon the workers.

It could be argued that government's intransigence in the face of not very radical demands was a test of its power to break the organisational strength of employees in state-owned companies, in preparation for their privatisation.

Eventually, the government had to import tinplates and accumulated huge losses as a result of the strike. It issued an ultimatum to the workers: either the strike is ended or

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29. According to official sources, the National Steel Company did not profit US\$ 85 million with the 17 days of strike. Source: Jornal do Brasil, November 23 1988.

the company will be closed down (30). The final results of these dramatic 17 days strike were: 1) the implementation of a 44 hour and 40 hour week, for those in continuous shift; 2) a recovery of the 26.06% of the Bresser Plan as an "emergency bonus" plus payment of the frozen URP of July 1988; 3) the working days were not docked; and 4) an amnesty was granted to some 70 workers, including many union leaders, who were re-employed by the company (31).

The army occupation and the deaths of the three young steelworkers produced a national wave of indignation that swept over Sarney's flagging popularity. Civil society and the political community questioned the constitutional legitimacy of the army's intervention in the new democratic order (32).

For its part, government alleged that the steelworkers' movement had been infiltrated by "left wing extremists" who had attacked the army and sought to bring down the Brazilian

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30. See for example the article "President Sarney says he will close and sell the National Steel Company". Jornal do Brasil, November 19 1988.

31. "The Final Results of 17 Days of Strike", O Globo, November 24 1988.

32. During the army's invasion and for many days afterwards, the media were filled with articles and interviews in which the course of the country's democratisation process was questioned. See for example: "The Humiliated Constitution", Isto É, November 16 1988; "The Crisis Has Shown Politicians What Not To Do", Jornal do Brasil, November 24 1988; "OAB Will Ask for Sarney's Impeachment Based on the Inquest into the Invasion of the National Steel Company", Folha de São Paulo, November 29 1988. The events at the National Steel Company had such wide repercussions that even Amnesty International intervened. See: "Amnesty International Will Ask Explanations to Brazilian Government on the Events at the Steel Plant", Jornal do Brasil, December 7 1988.

state. Military advisors produced what they called "evidence" by showing bombs and arms allegedly found inside the plant (33).

When I had the chance of raising this problem with steelworkers and union officials during my second phase of fieldwork, in January 1990, nothing that was said gave any support to the government's claims. Although some union officials and activists acknowledged that they lost control of the rank and file during the clashes with the army, they rejected the idea that their movement had been infiltrated by outside forces, over which they had no control. Union officials attributed the physical resistance by workers to the fact that this was the fourth army occupation they had experienced. In workers' accounts, the army intervention was seen as a provocation to undermined their courage and sense of dignity (34).

To add to the national mobilisation of the period, the 15th of November 1988 was election day for majors and local deputies throughout the country. The opposition vote - PT and

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33. See for example: "For the General, the Strikers at the National Steel Company Used War Tactics", Folha de São Paulo, November 11 1988; "Military Command Charge "Provocateurs" As Responsible for the Conflicts with the Army", Folha de São Paulo, November 11 1988; "Government Place Responsibility Upon Steelworkers for the Violence", Jornal do Brasil, November 11 1988, and "The Army Give Their Version of the Conflict in Volta redonda", Jornal do Brasil, December 2 1988.

34. Informants numbers 14, 20, 22, 26, 51 and 54; and "The Metalworkers' Union Contests the Military's Version of the Events at the National Steel Company", Jornal do Brasil, December 12 1988; "Union Blames the Army for the Death o Steelworkers", O Globo, December 17 1988; and "Metalworkers Union Reject the Claim of Infiltration in their Ranks", Jornal do Brasil, December 12 1988.

PDT - proved to be high while Sarney and his PMDB lost in most of the major capitals in the country. Moreover, the Workers Party (PT) made an important breakthrough by winning the local government of São Paulo, the country's most important state. These results have been interpreted as a popular outcry against the high inflation, the failure of the various economic plans, and Sarney's political immobility against the forces who were boycotting the stabilisation plans and the consolidation of democracy (35). It has been suggested that the events at Volta Redonda gave a further major impetus to the opposition victory (36).

At the local level, Juarez Antunes was elected major of Volta Redonda by the PDT Party, with 60% of the votes. His group also elected seven out of the 21 and the PT elected three seats in the local council (37).

For the Metalworkers' Union, although the November strike consolidated the position of many union leaders as important national figures, it also exposed some cracks in the relationship with the rank and file. There is no doubt that workers gained self-esteem and pride from the experience of mobilisation and unity during the November strike, and

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35. In fact, during the week in which these dramatic events took place, there was talk in the media about a possible threat to the democratic process, with "intense movements among the military" and talks between all political parties in the Congress to guarantee the November 15 elections. See for example, O Globo, November 16 1988 and Folha de São Paulo, November 18 1988.

36. See for example "The Invasion Which Was Repudiated by the Democratic Vote", Jornal do Brasil, November 9 1989.

37. "Volta Redonda Gives 60% of its Votes to Juarez Antunes", O Globo, November 21 1988.

many had their perception of the government and army completely changed. But some steelworkers also criticised the fact that Juarez Antunes and two other union leaders had stood in the legislative elections. They questioned whether union resources, both in terms of mobilisation and material support, had been used by these candidates in the pursuit of their own political careers. According to one steelworker, for example:

"I think that the union movement in Volta Redonda has taken a new trail which is not very good. Instead of the leadership making a separation between the union movement and the political movement, they are using the union as a step to achieve a better position or to enter the national political scene" (Inf. 50).

As I have already discussed in Chapter 5 of this thesis, the issue of demarcation between "union politics" and "national politics" is to a certain extent an unresolved dilemma, given the differential insertion of union leaders and rank and file in political matters. As suggested by Pizzorno (1978), because union leaders are engaged in broader political exchange, they develop links with the outside world that might be seen by the rank and file as evidence of goal displacement.

On the other hand, steelworkers do have a point in questioning the boundaries between union politics and party-electoral activity. As I shall show in Chapter 7, "new unionist" leaders are divided on this issue. While the more orthodox Marxist/Leninist leaders tended to see the union as subordinate to the dynamics of the Party (the Communist Party), the non-orthodox leaders and the radical reformists insisted on a clear separation between the two spheres.



#### 4.2. The Developments in the Year 1989

The year 1989 started with a tragic event for the social and union movement of Volta Redonda. Only a few weeks after assuming office as mayor and appointing his cabinet, Juarez Antunes was killed in a car crash. Since he and his group represented the most combative elements in the local PDT party, Juarez Antunes' death also represented the end of an administration strongly committed to take up the workers' grievances.

In March of 1989 there was another national strike in the country, and this time there was no confrontation or violence during strike action at the National Steel Company (see Appendix). This strike was to protest against the "Summer Plan", the fourth stabilisation programme put forward by the Sarney government, in only four years. By now the government had little credibility and was supported only by the more backward political forces. The "Summer Plan" involved once again real wage losses for the workers.

Since the first strike at the National Steel Company in 1984, there had been much change in the workers' perceptions of strike action. At the beginning, their commitment had largely been based on recognition of the union as a trustworthy and combative organisation. However, political views were growing a part and the unity achieved in the first strikes was not present any longer. Workers had developed critical views about the "justice" of certain strikes and the way to lead and end them. Some steelworkers strongly

criticised the union's participation in national strikes, which they called "political strikes". For example:

"I stopped taking part in strikes after the 1987 national strike. Before, I even stayed inside the plant during strikes. But, when I saw that the thing was turning into disorder, I withdrew. I promised myself not to take part in that again. Because what I see is that they (the union) are doing a political strike". (Inf. 10).

Steelworkers' criticism was also addressed to what they called increasing levels of "radicalism" in certain actions during the occupation strikes, and the ways in which this was undermining their individual rights:

"I stopped taking part in the strikes. In the last strike I stayed inside because I was forced to. When there is a strike, strikers want to keep other workers inside, I am against that. I am in favour of strikes but without giving the company any financial loss. (...). I am in favour of peaceful strikes but when things get out of hand as in this last strike, I am against". (Inf. 45).

"I took part in the 1984 strike but then I stopped. Now I only strike because of the mobile picket (arrastao). I don't agree with the mobile picket. Although I think it is our right to have a union, (...) I think that strikes should be carried out outside the plant". (Inf. 11).

Despite these criticisms and the emergence of splits within the union, the April 1989 April Wage Campaign of the National Steel Company workers took place with a significant level of mobilisation. The Wage Campaign centred on the incorporation into wage-packets of the "emergency bonus" granted by management in November. It also demanded recovery of the inflationary erosion of January 1989, which had yet again "disappeared" from official calculations as a result of the "Summer Plan". Workers also wanted a full recovery of the losses from inflation in February, March and April 1989,

based on the DIEESE/ICV index. Other issues in the campaign were: full workplace administration of the CIPA; the immediate election of union representatives in the plant; and the restoration of union leaders' rights to enter the plant. As seen before, these last two demands corresponded to rights in the 1988 Constitution and had been accepted after the November 1988 strike. However, they had not been implemented in the company creating a crisis of credibility concerning agreements with the company management.

The Wage Campaign progressed with a good level of participation from the rank and file, in the form of meetings at the union and general discussion around the union bulletins. This peaceful situation was to change drastically on May 1, traditionally celebrated by the labour movement. As the new unionism movement developed nation-wide after 1978, this day had become an important opportunity for its leaders to spell out their opinions and to mobilise the workers. At Volta Redonda, the Metalworkers' Union, together with other local and national forces, organised a public assembly at which a monument in memory of the three workers killed during the November 1988 strike was unveiled in the presence of workers and their families. During the following night, however, a bomb explosion destroyed the monument and caused great fear to the town's inhabitants. As it turned out, the bomb was extremely powerful and consisted of materials owned exclusively by the Brazilian armed forces. Later, a right

wing commando claimed responsibility for the action (38). Once again there was a public and national outcry and it was widely feared that it signalled troubles for the democratic process and the Presidential elections to be held in November of that year (39). Once again the steelworkers from the National Steel Company were front page news all over the country.

As if all these events were not tragic enough, on May 3 1989, the Company's most important Open Hearth Furnace, the number three, exploded and killed two steelworkers. The company's future was once more in jeopardy. At first it was thought that this might have been a second terrorist attack in only 2 days. As a result of pressure, the government set its National Information Service (SNI) to act and rejected this idea (40).

Management quickly tried to blame the workers and related the accident to the November 1988 occupation strike and the strikers' allegedly inadequate care of the equipment. For union leaders and steelworkers, however, the accident simply confirmed that equipment was being inadequately maintained and stretched beyond its limits. In fact, an

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38. See "The Minister of the Army Claims that "Radical Right-Group" is Responsible for the Act", O Globo, May 8 1989 and "Patriotic Falange Claims to Have Placed the Bomb", O Estado de São Paulo, May 5 1989.

39. "The Governor of Rio de Janeiro Worries For the Presidential Elections", O Globo, May 5 1989 and "In the Congress in Brasilia there was Fear and Surprise Over the Bomb", Jornal do Brasil, May 5 1989.

40. "Secret Services (SNI) Tell President Sarney that the Furnace was not Sabotaged", Jornal do Brasil, May 4 1989.

independent inquiry proved the workers to be right, weakening even more the position of the company's board of directors (41).

The blast furnace accident further strained relations between workers and management and led to a breakdown in negotiations over the 1989 Annual Work Contract. While management called for a dissídio coletivo, government sought further negotiations with the union leaders. At national level, Sarney had appointed a new Labour Minister who for the first time in Brazilian history was a woman. According to the Minister, fearing a repetition of the impasses which built up in November 1988, she made a personal effort to bring the Metalworkers' Union leaders to negotiating table. In her own account (Werneck 1990:90), she started mediating the negotiations between workers and management, in Brasilia. By this time the workers were proposing that the company's board of directors should resign and that the workers should take over the administration of the company (42).

An agreement was finally reached in July 1989, and management accepted a 52% wage increase pending a Labour Court ruling on the dissídio coletivo. The negotiations over other, non monetary issues ended well for the workers. The company agreed: 1) to grant workers' control over the CIPA;

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41. "National Steel Company Says the Furnace Will be Re-Activated Today", Folha de São Paulo, May 15 1989 and "Metalworkers' Union Suspends Negotiations Over the Repairing of the Furnace", Jornal do Brasil, May 15 1989.

42. "Metalworkers' Leaders Have a Project of Assuming Responsibilities Over the Running of the National Steel Company", O Dia, May 5 1989.

2) to restore the union leaders' right to enter the plant; 3) to recognise the "same job/same wage" principal; and 4) to accept the principal of greater democratisation of information concerning the company and its workers. It agreed to disclose its Job and Wage Classification scheme and to produce periodical statistics on accidents, the company's financial situation and other information which the union might wish to know (43).

#### **5. New Union Elections and the Development of Splits Within the Union Movement**

In April of 1989 union officials and activists started the mobilisation around the union elections to be held in July, the second since the "new unionist" victory in 1983. Of the four initial slates, two were the most significant politically. Slate One was composed of the union leadership in power. Since the internal disputes had greatly developed and there was no consensus on the way posts should be distributed, the union executive called on the rank and file to take part in a pre-election convention. Although the union as such was linked nationally to the CUT, its officials were individually affiliated to different political tendencies within this confederation - as well as in some cases, to a political party. A "map" of the political affiliations of Slate One, would have shown it as drawing support from the Workers Party (PT), the Democratic Labour Party (PDT),

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43. Source: Annual Work Agreement of 1989.

Brazilian Communist Party (PCB), the Communist Party of Maoist orientation (PC do B), the Green Party (PV) and the progressive Church.

The pre-electoral convention took place in April 1989, with the participation of 2,000 workers and under the chair of the regional CUT. It was decided that Wagner would be the leader of Slate One and, in case of victory, the president of the union. The distribution of the 23 posts on the executive would work as follows: Wagner and his group would suggest seven other names, but retain the most important posts; Albano, another PT member but with different views from Wagner, would suggest ten names; and Marcelo, affiliated to the PDT and the union's President at the time, would suggest six names. This outcome showed a recomposition of forces in which the group more committed to direct action and further democratisation of the union had obtained greater voting capacity amongst the active rank and file (44).

Slate Two was the most important opposition slate, and counted at national level with the support of Medeiros' CGT. Although its leader, Martins Azevedo, had almost no penetration in the union base, this slate was also made of Lopes and his supporters who had been expelled from the union executive in 1988. Slate Two, which called itself "Renovation", proposed a radical change in the type of union government and questioned the politics of direct conflict

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44. Source: Slate One, "Força Socialista".

with management (45). They denounced the strikes of the past as "political" and wanted the union to bring back its welfare services (46).

The important point to make here is that for the first time since the emergence of the "new unionist" union, a union election was being fought around clear-cut disputes related to different affiliations to workers' confederations, with slates representing both the CUT and the Medeiro's CGT.

The July 1989 elections took place amidst a wave of personal attacks between the two competing slates. The Labour Court was called in by Slate Two, which alleged fraud in the first ballot (47). The final result, however, left no doubt as to the rank and files' support for its leaders. Slate One won with 85.42% of the votes, while Slate Two received 7.7% (48).

With this overwhelming victory and with Wagner as the head of the union, union officials and members of the PT felt they had the backing to implement fundamental changes in the union. Although Wagner had been part of the "new unionist"

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45. Source: Slate Two, "Renovação: Chapa Democracia e Diálogo".

46. The elections of the Metalworkers' Union of Volta Redonda were taken by the media as an important event. The media gave wide coverage to what they called "the disputes between CUT and CGT". See for example: "Union Opposition Wants More Welfare Services at the Metalworkers' Union", Folha de São Paulo, July 12 1989; "Union Elections in Volta Redonda Can End Up at Courts", Jornal do Brasil, July 5 1989, "CUT, CGT and Political Parties in Power Dispute at Volta Redonda", Jornal do Brasil, July 9 1989.

47. Jornal do Brasil, July 7 1989.

48. Source: O Estado de São Paulo, July 14 1989.



movement since the days of the "Union Opposition Group", in 1979, the fact that he had won the post of President and could name people to seven more posts, put him in a strong position to carry out the type of politics he was committed to. However, despite the overwhelming vote for Slate One, the splits which had emerged before and during the convention were seen by rank and file workers and many activists as a serious turning point in the unions' history.

It was argued by the workers that these splits tended to weaken the union. They were seen as a sign of goal displacement by the leadership, who would pursue their own union politics even if unity was undermined. According to workers:

"There are many things happening today inside the plant and the union has not answered appropriately. I think there has been a demoralisation of the union with the split during the union election campaign. Everything else results from this. Today you hear workers on the shop-floor saying "the union is weak". (Inf. 50).

"Relations between the union and the shop-floor were already not very good after the 1988 strike. However, things got worse between the base and the union after that convention in 1989, when the workers were called to vote for the head of the slate and the union executive appeared divided into three groups. That is, they also divided shop-floor workers into factions. There was the faction in favour of Wanderlei, the other in favour of Albano and the other in favour of Marcelo. This undermined the unity we had developed in the shop-floor committees and only made the union more fragile". (Inf. 40).

However, according to the point of view of Wagner, the new union president, this crisis would lead to a positive change in the union's political orientation:

"This recomposition of the new executive is the major change for me. Today the major issue is the idea the workers will no longer be able to delegate power to us, the leaders. This idea that "the union is all of us" is

fundamental (...). Before many workers thought that Juarez would solve all of the workers' problems. Today is completely different I do not present myself to the rank and file as someone who will solve things for workers. We are all together and responsible as a collective for the solution of the problems. If you ask a worker today if I solve any problem, he will probably say critically that I don't. But I find this a very positive thing, because I am not suppose to solve their problems, if they are not engaged in the process". (Wagner - new union President after 1989 elections).

After Wagner took office as union president, the first measure taken by his groups was to write a new statute for the Metalworkers' Union in which the presidential regime was replaced by "collegiate government". Other priorities were to revive a large group of shop-floor intermediate leadership which had been repressed by company management, and rapidly to establish a new CIPA organisation inside the plant (49).

The 1989 union election was the third consecutive victory for the "new unionist" group. Over the years these originally inexperienced activists of the "Union Opposition" had grown and matured in their role of leaders, but they had also been faced with fundamental dilemmas of a "new unionist" type of administration. The workers too had changed a great deal since 1979. The widespread unity and cohesion of the initial years had given way to a multiplicity of groups, some with clear-cut competing political views.

A further analysis of the "new unionist" union in the period 1983-1990 and of the different political conceptions among the union leaders and workers, will be the subject of the third and final part of this thesis.

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49. Metalworkers' Union Statutes, 1989.

## 6. Conclusion

This chapter has discussed the period after the anti-democratic shift in management policies, in August 1987, when repressive measures were taken against workers' organisation and greater vigilance and demands were introduced in the organisation of work on the shop-floor. This period was also characterised by the implementation of a bureaucratic system of recruitment, selection and promotion, and by changes in the structure of the internal labour market. The old formal structure was based upon seniority, on-the-job-training and ports of entry only at the bottom of the job ladder (see Chapter 3). The new changes involved, among other elements, an increase in the requirements for formal education and training, and the opening of ports of entry at the level of skilled and technical jobs. It is a contention of this chapter that in the period under analysis, 1987-1990, there was a break with the internal market system traditionally found in the steel industry and presented by Stone (1973).

Shop-floor conflicts in the period revolved around two axes. On the one hand, the increased emphasis on formal education and training exacerbated the struggles around foremen's discretion to transfer workers between jobs and shifts. Since workers were responsible for their own education and since irregular shift-work precluded attendance at courses, the right to stable day-shifts or more flexible working hours was strategically crucial for the workers' future prospects in the company.

The other source of shop-floor conflict in the period related to the end of the company's democratic policy and the increased demands and vigilance in the organisation of work, as well as management's attempt to ban politics and unionism from the shop-floor. The interviews with workers referred to this process as "repression" and, saw it embodied in the authoritarian and direct management style of Ari Souto, the Director of Operations responsible for the organisation of work in the steel plant. Workers' grievances over dangerous and unhealthy working areas reappeared during this period with great vigour, in face of Ari Souto's policy of "production at any cost".

A combination of elements - such as the completion of phase three of expansion plan D, the company's growing indebtedness and the government's threat to privatise state-owned companies - made it imperative for the company to improve its productivity levels. But, although the company rationalised its employment policies to a certain extent and improved its administrative operations, the new thinking did not completely penetrate the production level. As argued by the workers and substantiated by the 1988 accident with the Open Hearth furnace number 3, the philosophy of "production at any cost" involved inadequate maintenance of equipment and pressure on workers to ignore high standards of safety prevention at work.

As in the previous periods analysed in this thesis, shop-floor conflicts were converted into shop-floor politics as the "new unionist" union channelled them into coherent

demands to management. Demands such as the "an end to "repression" in the plant" and the "right of transfer" appeared in the Annual Work Contract agenda in 1988 and 1989 and during the strikes. Although management did not concede to these demands, workers and the union opened yet further channels to fight for their grievances - particularly the work around the CIPA and the use of the Labour Courts to enforce health and safety provisions.

Moreover, despite the "repression" on the shop-floor and the attempt by management to ban workers' organisation, steelworkers organised in clandestine committees which were able to bring together workers on the shop-floor. The chapter argues that the work done by CIPA representatives and the autonomous movement of workers in the shop-floor committees, raised an important dilemma for the "new unionist" leaders - a dilemma between encouragement of autonomous shop-floor organisation and the threat of losing control over their base. Once workers organised independently from the union, union oppositions such as the "New Opposition Group" and other political groups were able to influence the politics of the shop-floor and to raise proposals and political directives not all in accordance with the positions of the union executive.

The chapter presented a significant selection of events, many of a very dramatic nature. The most important, for their wider implications, were the following: the adoption of the new Brazilian Constitution in October 1988; the November 1988 strike at the National Steel Company, with clashes with the

army and the death of three steelworkers; the November 1988 election of Juarez Antunes as major of Volta Redonda and of other union leaders as MPs; the 1989 National Strike and the 1989 elections in the Metalworkers' Union.

The chapter showed how the government decreed a series of macro-economic plans which met with little or no success. The background to workers' struggles in the period was the escalating inflation and the repeated "disappearance" of inflation rates in readjustment of wages. Of the three periods presented in this thesis, this last one is perhaps the most striking in the complete inter-relationship between micro-local-level events and macro-national level politics.

The chapter covered the major political developments within the "new unionist" union and two more instances in which its leaders did not tolerate internal opposition and expelled, or pressed for the resignation of, opposing members from the executive. Finally, this period also marked a shift in the opinions of steelworkers about their leaders. Although the "new unionist" group which emerged in 1979 and took office in 1983 won two more union elections with a large majority, ordinary steelworkers developed criticisms and differences of views about developments during the period. Whereas there had been a broad consensus in the early days of "new unionism" at the Metalworkers' Union and on the shop-floor, some steelworkers now questioned the "justice" of becoming involved in national level strikes and of seeing some of their leaders take up office in local and national politics.

As suggested before, the rank and file allegations of goal displacement reflect an almost "unsolvable dilemma", which is related to the differential position of union leaders and rank and file in local and national politics. Since union leaders are engaged in broader political exchange, their union goals may involve a wider range of objectives such as participation in national politics.

The disputes among leaders and activists were openly debated during this period, creating divisions within the rank and file and a perception that the "union is weak" in face of its splits. Moreover, as illustrated by the union elections of 1989, a more ideologically oriented debate between the unionism defended by the CUT and the unionism defended by Medeiro's CGT emerged for the first time.

**PART THREE:**

**FURTHER ANALYSIS OF RESEARCH FINDINGS**

**THE LINKS BETWEEN THE CASE STUDY AND MACRO-LEVEL POLITICS**



## CHAPTER 7

### POLITICAL TYPES AMONG ELECTED UNION LEADERS, ACTIVISTS, CIPA REPRESENTATIVES AND MEMBERS OF THE OPPOSITION AND SOME OF THE DILEMMAS OF "NEW UNIONISM"

Part Two of this thesis has presented a micro-analysis of the political developments and dilemmas of a "new unionist" union, based on the case study of the Metalworkers' Union of Volta Redonda. Part Three will return to some of the issues raised previously regarding the political goals, and the relationship between leaders and rank and file, of a "new unionist" union, and will attempt to classify them in a more systematic way. This chapter will outline the political differences which exist between and among politically active steelworkers. Chapter 8 will focus on the political use of the Labour Courts by the "new unionist" union.

This chapter focuses on internal splits and policy orientations, in a union defined as "new unionist". As stated before in the Introduction to the thesis, one of the objectives of the research was to grasp the greatest possible diversity in workers' perceptions and attitudes so as to map a thorough picture of the political representations of this "new unionist" group. By drawing on steelworkers' opinions about "unionism" and "politics", I have arrived at three "political types" which I will suggest, can also be found in other "new unionist" settings. Furthermore, in an attempt to systematise the discussions, the chapter will advance three

basic propositions. First, it will be suggested that although shop-floor politics, wage claims and strikes were played out in the period 1979-1990 in an unitary style by steelworkers, there were increasingly distinct political views at stake. Second, it will be argued that although the "new unionist" union implemented a type of union government in strong contrast with the previous bureaucratic unionism, there are areas in which a continuum with the former type of unionism can be suggested. These areas of similarity will be identified and commented on. Third, it will be argued that the differences in beliefs and points of view found between the "political types" observed in this case study, point in fact to some of the underlying dilemmas of organised labour in Brazil in the 1980s. Although the chapter does not claim to cover all the political types or all the dilemmas facing organised labour in Brazil, it does claim to bring significant issues into focus.

#### **1. The Two Groups of Steelworkers: the "Active Group" and the "Non-Active Group"**

The starting point of this analysis was the division of the 55 informants, into two group, by the nature and level of their participation in union politics. One group is made up of ordinary steelworkers, whom I have called "non-active" workers. This category is based on the fact that although ordinary workers are unionised and may take part in mass meetings and strikes, they only have sporadic participation

in union activities and are not officially considered as activists by the union (1).

In contrast, the second group is made up of steelworkers who were engaged in some objectively recognisable activism in the period 1979 to 1990. I have called this group "active workers" and included within it elected union leaders, members of the recognised opposition to the union (2), CIPA representatives and shop-floor activists (3).

If we take the 55 informants interviewed, we find that 33 were "non-active" steelworkers and 22 were "active steelworkers" in the above sense. This chapter will concentrate on the different political views raised by the group of "active workers" and will not deal with the opinions

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1. The "non-active" group is made up of 33 workers, of whom 30 were unionised and only 3 were not unionised.

2. The definition of officially recognised opposition has been based on those who presented competing slates in the union elections of 1986 and 1989.

3. Activists have been defined as workers who are actively militant on the shop-floor, but are not union officials. The important criterion here is that an activist is recognised as such by the union either through a list of names, "List of Activists of the Metalworkers' Union", thus denoting a formal link between the worker and the union; through talks between union officials and activists from the shop-floor, when the leadership goes to the shop-floor and plant's gates and gets in touch with the emerging new activists; or through the presence of activists in meetings at the union called especially for them.

Activism on shop-floor can take the form of organisation and/or participation in meetings between workers, agit-prop activities such as distribution of the union's bulletins, and the presentation of demands and grievances to management.

Since the figure of the activist was never formally recognised by the company and thus did not hold any protection against dismissal, it was observed that during conjunctures of greater political repression against shop-floor organisation, activists tended to play down their public exposure on the shop-floor and concentrate their activities more on meetings at the union.

of the "non-active" group of steelworkers. This decision is based on the fact that although most of the informants presented a multiplicity of views and perceptions about "politics" and "unionism", only the "active steelworkers" presented a comprehensive view about the six issues which, I will argue, are central to an understanding of the dilemmas of a "new unionist" union. Moreover, the "non-active" workers did not put forward a set of opinions extensive enough to allow the researcher to draw a comprehensive political type (4). The steelworkers from the "active group" on the other hand, produced opinions during the interviews which were comprehensive enough to allow the drawing of a comparative framework.

It can be suggested that the differential response of the "active group" and the "non-active group" of steelworkers is related to the fact that the less a worker participates, the less he is faced with the demand to express his view about politics and unionism or to put forward coherent alternatives on issues he dislikes. The "active steelworkers" on the other hand, take part in debates and are called upon to express opinions about politics and unionism with greater regularity; they therefore have had the chance to elaborate a more coherent and comprehensive opinion about these issues. Moreover, the political party/tendency affiliation of some of the steelworkers can also account for their greater level of

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4. The opinions and critiques of "non-active" steelworkers have been raised throughout Part II of the thesis, in Chapters 4, 5 and 6, and will be discussed again in the Conclusion.

coherence and for some of proposals put forward by them. This chapter, however, will not attempt to explain the origins or the reasons for the existence of different political perceptions, or to locate causal relationships between political views and other social phenomena. It is argued that political beliefs are shaped inside as well as outside union activism for example, through subscription to a particular political ideology, or the political socialisation of the individual's family. Such issues are not within the scope of this thesis and will not be addressed.

## 2. The Criteria for Classification of Political Views and the Distribution of Opinions Among the "Active Group"

Since, for the reasons just stated, I shall concentrate here on steelworkers who are engaged in militant activity and have some degree of political involvement, one possible criterion for identifying different political positions might have been by affiliation to different political parties. Another criteria might have been by affiliation to different political tendencies within the CUT, one of Brazilian workers autonomous confederations (5). I have deliberately not used

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5. Although CUT has consolidated itself as a Workers' Confederation, there are different political tendencies within it. These tendencies represent different political positions within the labour movement, with different programmes and priorities in relation to tactics and strategy. The differences relate, for example, to the relationship with left wing political parties or even the administrative and financial aspects of holding a union. It is worth mentioning, however, that there is a group which holds a majority in CUT and which is called Articulação. Articulação is made up of the so-called "group of the 113",

this criterion, however, on the grounds that although political party/tendency affiliation is an important indicator of a worker's general political sympathies, its exclusive use would not reveal very much. This is so for two main reasons. First, because we found splits between workers affiliated to the same political party. The political disputes which have taken place in the Metalworkers' Union for example, involved officials and militants from the same political parties, such as the PT as well as the PDT.

Secondly, although we found that some activists and elected union officials were affiliated to one of the 36 political tendencies alleged to exist inside CUT, these are mostly fluid tendencies liable to fuse between themselves, or even to go out of existence, in a relatively short space of time (6). Furthermore, the differences between them are often subtle and not about central issues. As pointed out by the informant:

"There is one thing that must be clear, all these different political tendencies inside CUT exist at the national level. At the local level of Volta Redonda, we cannot speak of them as tendencies as

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which refers to the union leaders from the ABC region of São Paulo who were engaged in the first strikes in the country in 1978 and 1979. Luiz Inacio da Silva - Lula and other important CUT and PT leaders are grouped in the Articulação tendency.

6. This estimate was given by a union official from the Metalworkers' Union (Jadir), who also holds a position inside CUT's Metalworkers Committee. Even though we can suggest that this is a rather exaggerated estimate, the fact is that there are many different political tendencies inside CUT. As far as I know, the only comprehensive analytical research done on this subject is "Movimento Sindical: Uma Radiografia da Estrutura, dos Personagens e das Contradições da Relação Capital/Trabalho". Assessoria de Comunicação Ltda. Mimeo. 1988.

such since they are not a force as a group but are represented by individuals. Myself and three others are from the Força Socialista, Wagner and his brother from the Aliança Democrática Socialista, we also have three from the Convergência Socialista and so forth. Although we put forward different views, we are not a constituted force as such (...) We are all members from CUT". (Luiz - union official)

These considerations allowed me to conclude that it would be more productive to classify the group of "active steelworkers" by reference to some of the theoretical issues raised in the Introduction to this thesis and by reference to their views in relation to the six following issues:

1) What is believed to be the appropriate dimension of the union's goals: 1.1. exclusively local shop-floor/union level, or 1.2. broader to encompass issues related to organised labour at the national level?

2) What type of representation is believed to be more appropriate with regard to the delegation of power between union officials and rank and file: 2.1. elected union officials should have exclusive responsibility for delivering the goods to their constituents, or 2.2. the delegation of power should be more widely distributed and should exist to allow for the emergence of intermediate level representatives, together with "direct democracy" types of actions where goods are delivered as a result of collectively shared responsibilities?

3) What type of union services should be defined as a priority in the union: 3.1. more emphasis on welfare types of services such as the provision of doctors and pension funds, or 3.2. more emphasis on "political education" types of activity such as short courses on the "privatisation of the Brazilian steel industry" or seminars on health and safety?

4) Was the question of union democracy raised in the interview as a relevant issue by the informant (7): 4.1. union democracy was raised by the informant as relevant issue and it was suggested that the union must work to improve it or, 4.2. union democracy was not addressed by the informant as a relevant matter.

5) How should the union's demands be put forward and negotiated: 5.1. disputes and demands should be played out within a particular institutional framework, followed by negotiation and settlement, or 5.2. disputes and demands can turn into clashes in which the very institutional framework is put into question and negotiations with the other party are seen as a "zero

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7. Union democracy is discussed here not from an analytical point of view but from what steelworkers believe. When the informants talked about union democracy, they usually referred exclusively to the idea of tolerance by union officials of other opposing union factions, so that supporters of those factions should be able to be recognised as activists, to run for elections as CIPA representatives, to address other steelworkers at mass meetings, and to present competing slates at elections to the union executive.



sum" game? (8).

6) Who is considered the union's appropriate interlocutor in the process of putting forward demands:  
6.1. company management exclusively, or 6.2. company management and government, or both, depending on the nature of the issue?

Based on the responses to these questions by steelworkers who made up the "active group", the 22 informants were found to distribute into three different groups, as illustrated by Figures 7.1 and 7.2:

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8. Pizzorno has discussed the distinctions between these two approaches. The author has defined the first approach as a "framework of negotiable ends" and the second as "the politics of total commitment or as the pursuit of non-negotiable ends". For more details see Pizzorno, A. Political Sociology. 1971 page 10.

Figure 7.1												
Active Group's Views on the Six Issues Raised Above												
Groups	Issues											
	1.1	1.2	2.1	2.2	3.1	3.2*	4.1	4.2	5.1	5.2	6.1	6.2
A	X		X		X			X	X		X	
B		X		X	X	X	X		X			X
C		X		X		X	X			X		X

(Number of Members in Each Group: Group A = 2 Informants; Group B = 10 Informants; and Group C = 10 Informants)

\* More than one option is allowed for item 3.

Figure 7.2					
Number of Steelworkers By Group and By Type of Political Activism					
Groups	Types of Political Activism				
	Acti- vist	CIPA Rep.	Elec- ted Union Offi- cial	Member of Opposi- tion Groups	Total Ns
A	0	0	0	2*	2
B	5	3	2	0	10
C	1	0	6	2+	10

\* Although Lopes, from Group A, has been located in this Figure as a member of the Opposition, it is worth pointing out that he was an elected union official up to 1988.

+ Although Cerezo, from Group C, has been located in this Figure as a member of the Opposition, he also became president of the CIPA in 1990.

From Figure 7.1 it is possible to see that workers belonging to Group A believe that union goals should be more circumscribed to local issues and that a more traditional type of delegation of power from rank and file to union officials is a better form of representation. Members of Group A believe that the union should give top priority to welfare services over political education and not raise questions to do with the issue of union democracy. Finally, members of Group A believe that the demands put forward by the union should be of a completely negotiable nature, with less emphasis on strikes, and that the appropriate interlocutor of a union is management.

The beliefs of steelworkers in Group B offers a significant contrast with Group A. Members of Group B believe that union goals ought to include issues of a broader nature and that direct and collective types of representation are better than the more traditional delegation of power. A particular characteristic of members of Group B can be seen in relation to their opinion about the nature of union services. Unlike Group A and Group C, members of Group B believe that political education activities are very important but that the union cannot withdraw from more traditional welfare services. The position of Group B is unique in the fact that they see the issue of services from a complementary point of view. For members of Group B, union democracy is an important issue and should be improved as far as possible in the future. In regard to the radicalness of demands, members of Group B identify with Group A in their

emphasis on negotiable ends. But it should be noted that there is a significant difference in the type of "negotiation" meant by each group. Insofar as members of Group B believe that delegation of power should be more extensive, that direct and collective action is important and democracy is a significant issue, they should envisage more channels for rank and file participation in the negotiation process, as well as accountability of the actions of union officials. For Group A, on the other hand, with its horizon of a traditional delegation of power, there is no additional channel for the leadership to be accountable to the rank and file, apart from the periods of union elections, when the rank and file have the opportunity to evaluate their leadership. Finally, members of Group B believe that the union's interlocutor should be management or government or both, depending on the nature of the demands at stake. This is an important distinction from Group A, since the questioning of the corporatist system, for example, necessarily brings in the government as an interlocutor for workers.

As to steelworkers in Group C, Figure 7.1 suggests that their opinions differ completely from those of Group A and coincide with many of those of Group B. Like Group B, members from Group C believe that union goals should encompass both local and broader issues. They believe in a more wider distribution of the delegation of power between the rank and file and union officials, and declare that union democracy is an important issue. As in the case of Group B, members of

Group C also believe that both managers and government should be the union's interlocutors in the presentation of workers demands. Two important issues, however, distinguish this group from Group B: namely, union services and the radicalness of workers' demands. For members of Group C, and with the exception of the legal service, the union should wind-up all the welfare services traditionally provided by Brazilian unions, such as medical and dental care. Instead, the union should provide services of a more educational and organisational nature, to prepare the rank and file intellectually for a better understanding of economic, social and political issues. Their major objective with these activities is that the level of militancy among the rank and file should be enhanced. With regard to the type of negotiations with management and government proposed by the members of this group, they do allow for the holding of negotiations, but they see them as a zero-sum game and are reluctant, in times of crisis, to hold back direct, collective action in favour of mediation and negotiation.

### 3. The Three Political Types Amongst the "Active Group"

In an attempt to contextualise the political views of the three groups discussed above, in a historical framework of a more general nature, I have labelled each group as a "political type" (9). I would like to clarify that in the

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9. This exercise was much inspired by the work of Peter Winn, who combined a factory study with oral history and tried to systematise the way workers perceived and experienced

transition from groups A, B and C to three political types, I have based myself on the informants' opinions about the six issues raised above, complemented by the informant's descriptions and points of views about the events which took place in the union and on the shop-floor between 1979 and 1990, and their accounts of the political splits among different union factions. A greater level of generalisation has been sought with this exercise, so that some relations with the wider labour movement can be drawn. Within this perspective, the political types outlined below are suggested to be characteristic of a wider community, than the 22 informants analysed in this chapter. Although I do not claim to have covered all the existing political types, it is argued that the political types presented here illustrate the divisions within organised labour in Brazil and reflect some of the dilemmas of the "new unionist" union. In the following section I will present a thorough analysis of each political type, whereby Group A is characterised as "Trade Union Paternalist", Group B as "Radical Reformist" and Group C as "Revolutionary".

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unionism and politics in a Chilean cotton mill. The focus which I most shared with this author was his interest in exploring the common ground among the workers which allowed for militant, collective action to take place, as well as his interest in exploring the divisions and differences of perception among the workers' group. For more details see Winn, P. Weavers of Revolution. 1986.

### 3.1. The "Trade Union Paternalist" Type

Steelworkers in this political type recognise conflicts inside the plant and the different interests of management and labour, but they try to prevent direct clashes between workers and management in as many ways as possible. They believe in the potential of direct, personal negotiations, attaching great importance to the role played in them by individual personalities. They lay great emphasis on the idea of delegated power and wish to "serve" the members in the best possible way. They give great attention to the administrative aspects of the union and wish to improve the welfare services.

This political type can be said to hold the greatest similarities with the bureaucratic leadership of the so-called "pelego" union, as it existed before the emergence of the new unionist movement. As we shall see, although workers who subscribe to "trade union paternalism" have a critical assessment of the union under Waldemar Lustosa, they constitute a kind of continuum with the policies of the former union government. The view which most characterises this perception is that held by the workers called Lopes and Jair. The first, Lopes, was an elected union official up to 1988, when he was expelled from the union executive by other officials as a result of a clash (see chapter 6 on this issue). He then became opposition and presented a competing slate in the union elections of 1989. The second, Jair, headed one of the opposition slates in the union during the

1983 and 1986 elections, but lost on both occasions (see Figure 7.2).

Alongside his strong involvement in the administrative aspects of the union, Lopes was the official who carried out weekly meetings with the head of the Industrial Relations Department, to solve workers' problems with the company at a direct level. According to Lopes:

"There was Lustosa in the past who deluded us with many promises that he would see to the workers' problems. As it turned out, the union was in a big mess under Lustosa and when we, the Opposition group took office in 1983, we saw the union to be in a desperate situation. Debts, lack of representation, etc. We sought to change that (...) but soon clashes started to appear between union directors. The first problem arose during the 1984 strike but we managed to solve that. Between 1984 and 1986 the union was practically led by four officials: myself and Ivo in the administration of the union and Juarez and Albano in the political leadership. (...) My divergence with the other union officers was administrative but this later developed into a personnel clash. This was because although our work was not 100% without failure, I think I contributed a lot to the union. I had a type of activity which was creating envy and jealousy from other officials because my office was always full of rank and file workers asking me to help them out in their problems with the company. They would bring in grievances that I was able to solve in almost all the cases through a contact that I had at the company (refers to the meetings with the head of the Industrial Relations Department at the National Steel Company). Disciplinary punishment, problems with promotion and unfair dismissal were the sort of issues that workers brought. Because of the contact I had, I was able to restore many of the workers' positions and this gave me popularity amongst the workers. This is what caused envy from other union leaders here (Lopes - union official from 1983 to 1988 and then, member of opposition).

Such a strong emphasis on one's own efforts, on the significance of delegated power and the leader's almost "messianic mission", has also been characteristic of Jair.



His slate was described by some critical informants as the "company's slate" because of the high degree of identification which, in their view, existed between Jair's positions and the company's. Although he was originally a furnace worker, after 25 years of service in the company he became the head of a sector in the Administrative Department. His role is to follow through administrative and bureaucratic problems that employees have with the company. This gives him a great deal of power, and like Lopes he is very keen on the administrative problems between workers and the company. His position can also be said to be typical of the "union paternalist" type because he bases on his supposed power to "help" workers out:

"I was called to head one of the slates at the time of union elections because I am widely known by workers and I know they see me as a man who tries to help them, as a man who gives his best to others and does not do harm. (...) My programme was a programme of justice, which demanded workers' rights.

-What sort of rights?

Right to strike, right of a decent wage, right to transfer from one department to another (...) and other social functions of the well being of the workers" (Jair - member of opposition).

The elements of continuity, as it were, with the bureaucratic unionism of the past are particularly apparent in two areas. One is the acceptance of the traditional form of delegation of power between rank and file and union officials as defined by the Labour Code, and the absence of any proposal to create other official forms of shop-floor representation and/or intermediate level leadership.

A second area of continuity with the past is the lack of any criticism about the origins or nature of the workers'

"rights" granted by the CLT Law or the company, and a complete passivity in relation to any attempts to change the basis upon which those rights were created. For the "union paternalist" type, the role of the union is to see that workers get "their fair share" within an institutional order established outside the workers' struggle. The bureaucratic leaders of the past, as pointed out by De Souza Martins (1979:168-169) also perceived union rights and duties "through the eyes" of the existing legislation. Moreover, they too saw it as their role to "administer the union in the best possible way", to preserve the institution's assets and to act as a mediator between management and the government.

For the "union paternalist" type, "union" and "politics" are elements which cannot be put together; union goals should be limited to local issues; and the union's role should be to seek negotiation by all means, at the expense of direct, collective action. According to them:

"For me the problem in this union leadership now is the mix up between union and politics. See the union lawyer for example, instead of doing his work, he is just doing party politics during working hours. (...). This is one of the problems which has caused the clashes between factions, since we allege that there has been a misuse of the union for electoral politics by Juarez and his group. The other problem here at present is a dispute over power, instead of trying to help out the worker" (Lopes - union official since 1983 and then member of opposition since 1989).

"I agree that workers can strike but I disagree with political strikes. I think the union can make "grievance strikes" (greve reivindicativa) but not political strikes such as general strikes or the November strike (...). I agree with strikes over wages since one needs to put pressure, but I am against political strikes. I think we have to hold on to union politics and not mix things up" (Jair - member of opposition).

It can be suggested that the "paternalist" view of a complete separation between union and politics originates from the way in which these steelworkers define what are proper union goals. In this sense, it is similar to the position held by some ordinary workers who allege that the union has exerted "goal displacement" by mixing together "politics" and "union issues". This type of debate has also been present within organised labour at national level and will be discussed in the concluding section of this chapter.

### 3.2. The "Radical Reformist Political" Type

Although some elected union officials - especially those originating from the Church movement - fall under the "radical reformist" political type, this type is most prevalent among the intermediate leadership of activists and CIPA representatives on the shop-floor (see Figure 7.2), still with a strong identity as manual workers. The first important characteristic of members in this type is that they identify with and are interested in both union politics and national politics:

"I like politics, union or other. I have even become a union activist". (Inf. 48 - shop-floor activist).

"I am interested in politics (...) and we as activists talk about politics and the present situation". (Inf. 26 shop-floor activist).

It can be suggested that these workers have been influenced by the democratisation process in Brazil, and as pointed out by Paoli (1990:14), are seeking public expression to voice their demands. Although not exclusively, many have

been politically socialised by social movements such as Worker' Pastoral or Community Associations or by their work as activists or CIPA representatives on the shop-floor. They have participated in more group discussions and had a greater level of political information than the ordinary worker. Most probably as a result of this socialisation, workers in this political type believe less in a system of delegated power and value active participation alongside a legitimate system of representation. Thus, although they acknowledge the importance of leaders such as Juarez Antunes, they also present an interest in union democracy and criticise some practices of the "new unionist" executive, especially what they call the "populism" or "mass manipulation" of the Juarez Antunes type of leadership:

"I think the union has changed a lot since Juarez and that there is greater mobilisation. Although he might not have been a good president in some respects he had an extraordinary capacity to mobilise the workers". (Inf. 13 - shop-floor activist).

"This union has many problems, it has a "combative image" but also a great deal of populism. My group was critical of this populism but it is hard to spread the message among the rank and file". (Luiz - elected union official).

"I think that Juarez was a born leader, he has already proved his strength but did to allow for the emergence of other leaders. This constrained things a bit. This was a populist vision of things". (Inf. 25 - shop-floor activist)

Workers who share this political view put great stress on "grass-roots work" (trabalho de base), which implies in giving to workers or participants in other social movements, information and encouragement to debate so that they can develop the conditions to judge and take action by their own

lights. It may be because of this understanding that the "radical reformist" values the political education activities carried out in the union. Such informants acknowledged, however, that an informed and active shop-floor movement is difficult to achieve:

"I am trying to find a way to accomplish that, a way to respond to their questions because many times the shop-floor workers say things that are naive. One example of something I heard was that they think the union is wrong, for example, to cut out services or change things because in the past workers obtained services if they had a friend or relative and were given priority. Some people think that the change in the union is for the worse. Another example that I can raise is that my mates on the shop-floor sometimes say I am always "against", that I am from the "against group" (he laughs) because I am always raising problems on the shop-floor. I think this view is wrong but I already have a political perception of things, they don't.(...). The union has been very active on this front, there used to be talks, meetings between activists, "courses for political formation". This type of course is very important because we learn many things. (...) I think we have to re-start the type of work that was done in 1983 to raise the political consciousness of the shop-floor worker, we have to organise courses, political debates because although 100% consciousness is impossible to achieve, 70% is possible (...)" (Inf. 26 - shop-floor activist).

"This union has changed and now, with the new union statutes even more. We do not seek to influence the rank and file but to broaden their participation. What we want is that the rank and file stops being a "base" (massa) and starts to participate actively and to decide on their own future". (Albano - elected union official).

In regard to national level politics, this political type presents strong statements against factory exploitation and has an acute sense of the injustice in society. This allows us to understand why for them the union ought also to have goals of a broader nature, and why, in their view, managers as well as government ought to be the union's

interlocutor. This political type is very similar to the Chilean "radical reformist" type analysed by Winn (1979:135), who has great faith in working-class solidarity and combines revolutionary rhetoric with reformist positions. In Brazilian national terms, this political type talks vaguely about a socialist society but would most probably agree with a radical social democracy. They are voted and some stood as municipal candidates for political parties such as PT and PDT and are members of, or close to either Workers' Pastoral or Community Associations.

A final point of interest is their perception of the political type which will be discussed next - the "revolutionary group". While they recognise the "revolutionary group" as a legitimate position, which allowed the situation of the steelworkers' in Volta Redonda to be improved in many ways, steelworkers who share the "radical reformist" political view raise a very interesting question: how far is it possible to "politicise" the workers' movement around left wing issues but still keep close contact with the shop-floor and workers' demands?:

"Although I am also critical of Juarez (the informant is referring to Juarez's alleged populism) the other political views in the union have to understand that Volta Redonda is Volta Redonda. It is not possible to "import" some policy from outside, trying to forget how our movement began and how Juarez was important.(...) An example of this was the proposal led by a group in the union executive that the way to solve the company's terrible economic situation would be to let the company be run by the workers. The proposal was for the government to give the workers control of the company. I think this is a radical suggestion and completely separated from reality, which leads nowhere". (Luiz - elected union official).

Although there is no doubt that, for the "radical reformist", "union" and "politics" relate closely together, they also seek clearly to demarcate the two fields. Perhaps the most clear statement in this respect was given by a union official:

"The union cannot have a party, cannot be affiliated to any political organisation. The union is an institution of the rank and file and belongs to everyone. The leadership can belong to whatever party it wishes, as can the rank and file, but one cannot expel a worker who has for example voted for Collor in the presidential elections. No! The union belongs to the categoria of metalworkers. I can even disagree with this worker and try to discuss with him, but the union belongs to all. At the moment a union starts to make party politics than it is finished because it starts to restrict participation". (Albano - elected union official).

According to another worker:

"I think that the union movement got into the wrong track. Instead of making a separation between union movement and political movement, the officials are using the union as a way to obtain a better position or to gain political importance at national political level. (...). I think that it is wrong to mix these two levels together". (Inf. 9 - CIPA representative).

This debate also appears in relation to the policies led by organised labour at national level, when workers in this political type questioned the performance of certain leaders whom they classify as "radical":

"In the past, workers' leaders used to be more on the side of management, of the entrepreneurs. Now the leader I most like is Medeiros (President of CGT) from Sao Paulo. He does not defend only labour but also capital, which is important for labour. He is not a radical man. For me he has a broader view about the issue. Meneguelli (from CUT) on the other hand is a radical. He only defends labour, forgetting that the development of capital is needed so that jobs can be created, while Medeiros sees both sides". (Inf. 46 - shop-floor activist).

"I think Lula (President of the PT) has changed over the years from his time as a manual worker to

now, and some people criticise this. I don't. I think he has become more aware that a party is not that thing to go around shouting that workers will break things down, that they will do this and that. We have to think that to be a leader one has to be well prepared. But on the other hand Jair Meneguelli (President of CUT) does not change and continues to appear only to propose general strikes, general strikes. He should see that the country and the Brazilian workers' mind do not agree with that, but he insists". (Inf. 44 - CIPA representative).

Finally, another important issue raised by this political type in relation to the "revolutionary type" concerns the nature of the services that the union should offer its rank and file. As we have seen above, although this political type regard political-education activities as very important, they do not agree that welfare services should end, as proposed by the "revolutionary type". It can be suggested that this position is born out of their knowledge of the needs of steelworkers, in a country with no welfare state and with very bad health and social security services. As pointed out by an informant:

"(...) I sometimes hear comments from workers on the shop-floor, who say that in a way the union got worse after the "new unionism" because it underwent a radical change. They allege that nowadays one cannot help a family member to have medical care in the union, as it happened in the past. (...) They say that after the changes, union officials diminished the number of doctors, dentists, the welfare service, and what was left? Some shop-floor workers question where their money goes, because they cannot see the union doing anything concrete for them. Although we (activists) try to explain to the worker about the political side of unionism and that things are more complicated than that, I can understand their point of view". (Inf. 26 - shop-floor activist).



### 3.3. The "Revolutionary" Political Type

This political type is predominantly made up of workers who hold posts as union officials and, to a lesser degree, of opposition group members and an activist (see Figure 7.2). As far as national political affiliations are concerned, the workers in this group subscribe to CUT, one of Brazilian workers' confederation and, in great numbers but not exclusively, to the PT - Worker' Party. Notwithstanding these affiliations, many of the workers among this political type can be defined as having "double militancy": that is, they are members of CUT and PT but are affiliated at the same time, to different political tendencies and factions inside the CUT and the PT. Among these tendencies are: Articulação, Política Operária, Convergência Socialista and the Aliança Democrática Socialista, the last two Trotskyist inspiration, and more recently the Partido Comunista Brasileiro (PCB).

Although the "revolutionary type" believe that union goals should be both local and broader in nature, and that the union should direct demands to both management and government, they also hold that there has to be clear demarcation between "union" and "politics":

"One has to know how to draw the line between union movement and party politics. Although many of us are affiliated to political parties, we must respect the union movement and here we deal with union issues. Party politics is something different" (Jadir - elected union official).

The label "revolutionary" is given to them here, because they all hold a Marxist view of the world and a conflictual model of society. However, this political type

divides in relation to three particular points: the nature of "social revolution"; positions regarding union democracy and the end goals of union activism. I shall discuss each point along this section.

The first divisive point is the way in which "social revolution" should be carried out. While some will emphasise the inevitability of bloodshed to end what they call "Brazil's savage capitalism", others can foresee change taking place through democratic elections. As a whole, they present a high level of distrust of bureaucratic procedures and institutions such as the Ministry of Labour, and they have sought a complete break with the past mode of bureaucratic leadership. They see themselves as constituting a "new" leadership and locate the issue of the offering of union welfare services as a dispute between "welfarism" and "mass mobilisation", as if the one completely excluded the other. As a result, they strongly oppose the offering of any union welfare - with the exception of legal services - and have been progressively reducing this type of activity in the Metalworkers' Union.

The revolutionary group criticises the delegation of power and places great emphasis on organised, grass-roots based-leadership. This position sharply contrasts with that of the "paternalist" type for whom union work is detached from any kind of organisational attention. Following the work of Batstone (1977), who analysed the views and actions of officials and intermediate shop-floor leaders, it can be suggested that one of the basic issue of contention between

the "paternalist" and the "revolutionary" political type is the difference between "delegation" and "representation".

According to Batstone (1977:29-30), the debate concentrates primarily on the extent to which union officials should merely carry out the wishes of their members, rather than exert discretion in pursuing their interests. Within this framework, the idea of a delegate "is that he should be mandated by his members and do no more or less than carry out their wishes". By contrast, the representative is "often expected to adopt much more of a leadership role, taking initiatives and playing a major part in the development of policies as well as in their execution".

Moreover, the "revolutionary type" puts great emphasis on new forms of representation besides the traditional rank and file - union official one. They encourage workers' organisation on the shop-floor and promote "political education courses" or the broad dissemination of information, while stressing the close relationship between shop-floor problems and political issues.

Accordingly, the "revolutionary" type is highly critical of those who subscribe to views held by the "union paternalist" leaders. But, they address their main criticism to Juarez Antunes, the charismatic leader:

"We believe that a cornerstone for any union work is the work of organising the workers, and the problem we face is that the beginning of the movement here was closely related with the personalism of Juarez". (Wagner - union official since 1986 and union President after the 1989 union election).

"Although the union is composed of a political coalition the problem of our group is basically

with Juarez and his populist style, who played down political discussion (...). Our main critique is that the organisation of workers was not prioritised and this is a fundamental issue in our view. The union had a paternalist and corporatist relation with the base and that was our critique for we seek the expansion of the mass movement" (Cerezo - head of the "New Opposition Group").

"There is a clear split in this union which revolves around organisation. There are sectors of the leadership which does not invest in organisational work, to raise workers' consciousness (...). There are different conceptions of "what is a union". There are those who think that the union leadership should think and decide for its base, there are others who disagree. The debate also concerns the importance some union leaders see in encouraging the rise of activists on the shop-floor and others who don't. My own view, together with others, is that the union is not this building nor the executive. I am more concerned with the issue of organisation, that the union has the role of organising and raising the level of consciousness". (Barto - elected union official).

Although the "revolutionary type" have a consistency of position, a second divisive aspect between members of this political type relates to the issue of union democracy:

"(...)so once the strike is called we go to some departments and try to stop those who are working, by force, because sometimes if you don't coerce it does not work. (...) There is no democracy in my view where there is still class struggle, because the dominant class does not think about democracy while it is still exercising power. I think that only when we have 100% of the workers with political consciousness can we dispense with the picket line (...)" (Inf. 51 shop-floor activist and member of the Brazilian Communist Party (PCB)).

"I do think that union democracy is an important issue and is fundamental. The right to discuss and disagree. When everyone has the right to talk from different perspectives then you can build consensus. The day we have this in the union will be great. Because in the end a union is this, you know; one pulls from one side and another pulls from another side. This is power, that is how it works. The day some leaders find out that to be a

leader is not the same as to be the owner of the union, a lot of things will change (...) (Jadir - elected union official).

As we can see, while some members of this political type like the latter view (Inf. Jadir), try to put forward a "democratic model", as it were, based on pluralism and co-existence of different political views, there are still, even if in small numbers, "Stalinist models of thinking" for which democracy is not a real concern, as illustrated by the Communist activist (Inf. 51).

A third point of contention among the "revolutionary" political type is the end-goals of union activism. Although all steelworkers under this political type wish to see Brazilian society radically changed, they differ about the precise role of unions in this process. One group can be clearly identified with Lenin's position on the "limits" of the union as a source of social change, and in this sense, they might be called "orthodox Marxists". For them, the stress is on the "instrumental character" of the union:

"The line of the Party nowadays is to close ranks with CUT, after it became clear what Medeiros and Magri stood for. But there is a certain difference between our line and the CUT's. We believe that we need a union to organise and politicise the workers - it is a means, an instrument. While CUT's line sometimes lacks political determination and sometimes is mixed with a "unionism of results". (Inf. 51 - shop-floor activist and Communist Party member).

"The union has a role of awakening the worker, to show the worker he is exploited and to raise this level of consciousness. We must discuss politics. Because I am sure the union will not make the revolution, and I know about the fundamental role of the political party". (Barto - elected union official).

For another group, although social change is also high

on the agenda, they are very much interested in the union per se, as an important instance of politics. When asked about medium and long-term objectives, they answered that they wanted to break from the constraints of the Labour Code and corporatism and to have unions organised autonomously from the state. They also expect to see an expansion of Brazilian workers' power, so that the workers will have a greater say in their future:

"Our major criticism of Juarez is that he had a paternalist and corporatist relationship with the workers movement. We are for the expansion of the mass movement and the foundation of more and more militant unions, which can also link themselves to community social movements". (Cerezo - Head of the "New Opposition Group").

"I believe in union democracy, I don't believe in democracy of a minority group. (...) I believe one cannot think only of one's own union but, also of the unionism at national level - in creating a network of factory commissions, and not the practice of "top down politics" (...). I also think about how we must break with corporativism and unify our struggles instead of thinking of ourselves only as steelworkers, or bank employees or rural workers" (Jadir - elected union official).

"The new union statute recently created by the union was unfortunately not widely discussed with the base, but counted on discussions with the activists and some 100 workers. Its main objective was to advance the union movement since the new Constitution allowed for an end to the control and intervention of the Ministry of Labour. We have tried to make the best use of this freedom. Our major objectives now are to improve the relationship with the shop-floor activists and to respond, as effectively as possible, to this new President's (President Collor de Mello) economic programme and the threat of privatisation we are facing". (Wagner - elected union official since 1983 and union's president in the 1989 elections).

It is worth mentioning that although the "revolutionary political type" defends the most radical form of activism and the model of direct confrontations, only the "non-orthodox

Leninists" show significant interest in the issue of union democracy and a consistent concern with an expanded network of middle level representation. It can be argued that such a point of view constitutes an innovation in comparison with the political ideas of the traditional left, especially those linked to the Brazilian Communist Party, for whom the issues of union democracy and democratic representation were not on the political agenda.

#### 4. Conclusion

I have sought in this chapter to analyse the different political views and opinions found amongst the group of "active" steelworkers. Three different political types resulted from this analysis, and it was shown that a number of important points distinguished each type. These points may be summarised under four headings.

The first important ground of differentiation among the political types concerned the links between "unionism" and "national level politics". While the "paternalist" type rejects such a link and considers political strikes and national-level demands to be evidence of "goal displacement" by the union, the "radical reformist" and the "revolutionary" types maintain that there are important links between "union" and "politics". However, they seek a clear demarcation between each field and it can be argued that this constitutes one of the important innovations of the "new unionist" union. On the one hand, this position contrasts clearly with the

past populist unions, where national issues had more importance than local ones. On the other hand, it sharply differs from the bureaucratic form of unionism, which tried to de-politicise workers' demands and grievances and to withdraw these from the context of national politics (10).

A second area of distinction between the political types is based on the issue of workers' representation. Those who place greater emphasis on the traditional type of delegation of power from the rank and file to union leaders have been linked to the "paternalist" type. It has been argued that this point constitutes an area of continuity with the past bureaucratic model of unionism. Whereas those who stress more elaborate forms of representation have been identified with the "radical reformist" and the "revolutionary" types.

The third area of contention is the issue of union democracy. While for the "orthodox Marxist/Leninist" type and the "paternalist" type, this is not a problem, for the

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10. I would like to make a particular observation about the views held by Juarez Antunes. From what it has been possible to gather from fieldwork research and critical assessment, I think it is fair to say that Juarez Antunes stood in between the "trade union paternalist type" and the "radical reformist type". This is so because although in many respects he was much more "critical" and "radical" than the former type in relation to the corporatist system and favoured direct militant action, he had a very "personalist" style of leadership and a charismatic relationship with the rank and file. I would suggest that he was a charismatic leader who raised issues within the "left-wing" debate.

As pointed out by other informants, Juarez' trajectory can only be understood if one inter-relates political trajectory with personal biography and the vigour of his personality.

He had come from the country-side and was a very simple and direct man. Although he later studied and learned many things in his political career, he never lost a simple and direct style of talking to workers and putting the issues under a personal and sometimes even affectionate focus.



"radical reformist" and the "non-orthodox revolutionary", union democracy is an important issue. As shown, some informants have even drafted an outline of what union democracy should be in substance.

The fourth contentious issue, can be found among the "radical reformist" and "revolutionary" types, among those who wish to see radical social change in the country. For some within this group, the "orthodox Marxist/Leninist", the union is principally an instrument in the pursuit of other goals. For others, such as members from the "radical reformist" type and the "non-orthodox revolutionary", union politics and the changes that can take place at this level are themselves important instances of social change and democratisation.

I would like to suggest that the "radical reformist" and the "non-orthodox revolutionary" preoccupation with union democracy and the non-instrumental approach to the union constitutes two of the most significant innovations of the "new unionist" movement. Although their views are not hegemonic within the movement, they exert an important influence in the characterisation of "new unionism".

The differences underlying the above typology can be seen in the disputes and crises faced by the Metalworkers' Union in 1990, as well as in the present dilemmas and splits between sectors of organised labour at national level. Two last points would seem to illustrate some of the cross-roads of organised labour in Brazil in the 1980s.

First, the issue of welfare services points to an

important dilemma within this new form of union movement. The dilemma can be presented as the following. "New unionist" leaders have criticised the granting of welfare services by unions because the bureaucratic unionism of the past made this its major activity, as a substitute for union mobilisation and direct collective action. However, although welfare services completely altered the face of the union after 1964, they produced some degree of satisfaction among the rank and file, who saw them as concrete and visible use of their union tax. The "new unionist" leaders do of course, acknowledge the poor state of welfare services granted to workers in Brazil, but they argue that the union should not be seen as a channel for the satisfaction of those needs. Although the "new union" leaders interviewed for this research did not spell out a clear policy, their position would seem to be that demands for specific collective goods should be made by workers not from their position as workers but from their identity as citizens. In other words, workers as Brazilian citizens should put pressure on local and national government to meet their needs for health, housing, education and so on. Organised social movements and political movements could then channel these demands and ensure that these goods are delivered. The concrete historical situation in Brazil, however, is very different from what such an orientation would suggest. Civil society is still in a process of organisation of interests, where mass political parties are not consolidated and social movements still have a very local implantation. There would thus appear to be an

unsolved problem that leads back to the union: namely, which types of services or demands can it appropriately take on under a "new unionist" orientation?

A second general point relates to the "political exchange" (Pizzorno 1978) of union leaders and their role in national politics. It can be argued that the views held by the "paternalist type" - that there should be a complete separation between "unionism" and "national level politics" - reflect a widespread attitude among ordinary workers. The associated charge of "goal displacement" has also appeared within organised labour at national level, and was formally institutionalised in a dispute, initially between the two workers centrals - CUT and CGT - and later between the three Workers' Confederations - CUT, CGT (led by Magri) and CGT (led by Joaquinzão and then Medeiros).

While the CUT was identified as leading a "radical", "combative" and "over-politicised" politics, the two CGTs claimed to be carrying out a "unionism of results". As we have already discussed in Chapter 2, however, since no union can afford not to be a "union of results", the labels actually referred much more to differences about the nature of union goals in a democratic state and about the need to press for autonomous representation of the working-class from the state. Whereas the CUT has been in continuous conflict with government and sees the breakdown of the corporatist arrangements as a sine qua non for the development of a free union movement in Brazil, the two CGTs have agreed on various occasions to draw up social pacts with government and have

resisted a radical change to the Labour Code Laws.

Finally, it must be noted, that although there are areas of identity between "unionism of results" and the "union paternalist" political type, it would be analytically unsound simply to conflate Medeiros's CGT and Magri's CGT with "union paternalism". This is so because both CGT are confederations which also emerged from the "new unionist" movement after 1978 and have sought, at least at some level, to secure changes in the Labour Code and the conditions of work and life of the workers it represents. Nevertheless, there are significant elements of continuity in the positions within Medeiros' CGT and Magri's CGT and the past "bureaucratic leadership": most importantly, in their view that the corporatist arrangement between workers and the state should not be radically altered.

## CHAPTER 8

### THE "NEW UNIONIST" UNION, THE USE OF THE LABOUR COURTS AND CITIZENSHIP RIGHTS

#### 1. The General Argument

This final chapter touches on a polemical issue in the politics of organised labour in Brazil: the use of legal channels by workers. It discusses the use that National Steel Company steelworkers and their union leaders made of the right granted by the Labour Code to sue their employer over issues regarded as legitimate by the CLT Laws.

In Part Two of this thesis I attempted to trace the problems and dilemmas of a "new unionist" union. Although I showed that there were problems regarding the democratic relations between union officials and union opposition, and regarding voting patterns and the turn-over of leaders, I also argued that this new type of union government had advanced in many important respects. Most significantly, the "new unionist" leadership produced four major changes in comparison with the earlier populist and bureaucratic types of unions. First, in the extent to which it converted informal shop-floor conflicts into coherent demands by the union. Second, it organised a new internal administration and emphasised shop-floor representation and forms of accountability of the leaders to the union base. Third, it

engaged in struggle at the level of national politics to alter the corporatist arrangements and to change the Labour Code. Fourth, it made innovative use of channels opened by the Labour Code, namely, the CIPA - as a way of securing intermediate level leadership on the shop-floor - the Labour Courts. In this chapter I will discuss this last issue and suggest that the innovative use of the Labour Courts by "new unionist" union has important implications for the scope of citizenship rights of workers in Brazil.

A worker's right to sue an employer, which is granted to all workers in the country in regular employment relations, may be applied to unfair practices by employers as well as health and safety issues. Since the post-1964 bureaucratic unionism made extensive use of the Labour Courts as a substitute for direct and collective action by its rank and file, any further recourse to the Labour Courts was rhetorically repelled by "new unionist" unions as a "pelego" practice. The two major issues of this chapter are as follows. First, contrary to what one would expect from a "new unionist" union, the leaders of the Metalworkers' Union of Volta Redonda did not reject the use of the Labour Courts. Indeed, the number of legal cases against the National Steel Company grew in the years after the "new unionist" union was established. Although these legal actions are at an individual level, the union has played an active role in supporting, organising and politicising what used to be a bureaucratic channel of grievance solution, opened by the CLT Law.

Second, in marked contrast to both populist leaders and the orthodox Communist left - for whom the Labour Code was no more than a formal and constraining apparatus - the Metalworkers' Union of Volta Redonda sought to make use of, and at the same time to change, the CLT Law.

This argument is based on the debate about citizenship and the particular form of incorporation of the Brazilian working-class since the 1930s. Although authors such as Guilherme dos Santos (1979) and Paoli (1990) among others, have addressed this problem in the Brazilian literature, I would like to concentrate on Weffort's contribution to the debate and his criticism of the way in which the orthodox left in Brazil has relegated judicial institutions and the role of law in securing social change.

According to the argument put forward by Weffort (1981), alongside to Bendix's (1964) conception of citizenship as "the individuals' recognised position in a civic community", the citizenship of workers should be understood at two levels: the representation of workers at the level of electoral and political/civic rights and duties, and the representation of workers at union level.

Weffort then takes issue with Marshall's (1950) discussion of citizenship and states:

"In contrast with Marshall's hypothesis that citizenship is an institution in progressive development, which secures the progress of equality against the underlying trend for social inequality, in Brazil, citizenship rights mirror social inequalities and in this way reinforces them". (Weffort 1981:143).

The author is here referring to the idea that the incorporation of Brazilian working-class resulted in a

"regulated citizenship", whereby the rights of citizens were restricted to their rights as workers, as defined and regulated by the corporatist state (Guilherme dos Santos 1979). Still according to Weffort, the process of democratisation of Brazilian society in the 1980s saw attempts by organised society to break with the "regulated" arrangement, through the autonomous organisation of unions, the free and competitive organisation of political parties, and the general debate over ways to implement a state governed by the rule of law.

Weffort's central question is the following: although there is no necessary correlation between forms of union representation and forms of political party representation, how can a person who is not a complete citizen at union level be a complete citizen at political party level? How can workers have complete citizenship rights at electoral and political/civic level, if they do not have complete citizenship rights at union level? The author's argument is that this inter-relationship between the electoral/political/civic level and the union level has been overseen by the orthodox left in Brazil:

"The effects of the corporatist union system on the political representation of workers have been relegated as a political issue in the left's agenda (...). Only very rarely did it occur to this group on the left, that the struggle for political representation of workers had been previously lost at the union level (with the existence of the corporatist system)" (Weffort 1981:144).

According to the author, this state of things was the result of the Left's aversion to liberalism, or the form it took in oligarchic Brazil, as well as the result of a



position which did not acknowledge the political relevance of law. In fact, if we analyse the unionism of populist and communist leaders in Brazil, we find that from 1930 up to the 1970s they did not seek to change the labour laws, but attempted to create parallel organisations to the corporatist labour laws.

By contrast, the "new unionist" movement was born under the very banner of changing the corporatist labour laws and organising the union, independently of the state. The widespread growth of the movement, in a context of democratisation in the country, made it possible for two progressive processes to unfold. On the one hand, the relationship between the legal and the legitimate became open to questioning. Insofar as the "new unionist" movement was based on direct, collective and militant action, it paid little regard to the labour code which prohibited and punished actions such as strikes, mass mobilisations, direct negotiations with management, etc. On the other hand, the "new unionist" movement also sought change in the law, through the changing of the Labour Code and the securing of new rights in the 1988 Constitution. In other words, as pointed out by Paoli (1990:6), the fact that today "new unionist" forms of working-class politics are, to a great extent, constitutionally recognised in Brazil, can be interpreted in the sense that an essential political innovation was normalised (became legal fact). This then may indicate a genuinely new alternative for working-class participation.

In short, the new use of the Labour Court by the "new unionist" union not only expanded the rights granted under the CLT Law but itself constituted a politically significant procedure - one which recognised the law as an important channel of citizenship rights and tried to legalise (normalise) this political innovation.

## **2. Recourse to the Labour Court by the Metalworkers' Union of Volta Redonda**

### **2.1. How the System Works**

The Labour Court system, subordinated to the Ministry of Labour, has two major ways of channelling and arbitrating industrial disputes. One, is its compulsory ratification of Annual Work Agreements between the management and workers, even if direct talks and negotiations between the parties have been concluded. At this collective level, the Labour Courts rule on wage readjustments and wage increases, they also pronounced on the legality of strikes, when organised labour was still subject to strict anti-strike legislation.

The second role of the Labour Courts in industrial disputes appears when individual workers present grievances against an employer. The grievance may be presented either during the time of employment or up to two years after dismissal from a job. As already pointed out, such cases may involve work and health conditions, allegations of unfair treatment, discrimination and all sorts of issues related to

workers' rights as they are established by the CLT Law.

In this thesis I have repeatedly referred to the Labour Court's activity in mediating conflicts and validating collective Work Contracts between management and workers. In this section, I shall discuss the legal cases brought before it by workers.

As we saw in Chapter 2, the Labour Court system was one of bases of support for corporatism in Brazil. Authors such as Morel (1989), Pessanha (1987) and Caldeira (1975) have stressed how this system created a complex web of relations which, while constraining workers' autonomous organisation, created the very basis for claims over the exertion of rights, by defining such rights where previously there had been only the "private authority of management" (1). Although the rights granted under the CLT Law and the right to sue an employer for example, most probably limited and constrained the scope of conflicts between management and workers, they also created conditions for challenging management, by drawing a "public agenda of rights" and by

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1. This term has been taken from the work of M.C. Paoli who has sought to construct a model of the situation of the Brazilian working-class in the period pre-1930, after the abolition of slavery and the constitution of free-labour, but before the declaration of workers' labour rights. For the author, who has drawn from Azis Simao, work during this period was not based "on a labour market with rational codified negotiations but was based on a "private labour social order" in which the employers' ruling power was exerted in the traditional arbitrary and personal way. (...) Work outside legal contract and guarantees was the usual pattern in which old minded entrepreneurs argued that providing a job for people was sufficient". For more details see Paoli, "Citizenship, Inequalities and Democracy: The Making of a Public Space in Brazilian Experience". XII World Congress of Sociology, Madrid, Spain, 1990 pages 10-14.

imposing penalties when these rights were refused or withdrawn from workers (2). This system survived basically untouched through five decades, up to 1988 (3).

If we compare the uses made of the CLT Law by the first generation of steelworkers at the National Steel Company and by the present generation of steelworkers, it is possible to see that there has been a marked shift in the nature of the demands. Whereas the workers of the company-town days were still pressing for the company to recognise and apply the rights granted by the CLT Law in 1943, the new generation of workers, under new unionist leaders, are seeking to expand those rights as well as to create new, legitimately recognised ones (4).

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2. The concept of "right" used here is taken from E. Hobsbawm, who states that a "right" is a) a claim of entitlement to a positive law which, at least in principle, penalises the refusal to grant this entitlement and b) a claim of entitlement based on moral or ideological beliefs that the claim is legitimate, on grounds of a widely accepted set of beliefs about what such entitlements should be. Based on these two propositions and the argument which is being developed in the section, it is possible to suggest that under conditions of social change such as the emergence of "new unionism" and the improvement in the conditions for political expression, "rights of type b" will tend to appear in greater numbers, with a greater level of assertiveness, and try to claim their legitimacy and equality with "rights of type a". On Hobsbawm's definition of rights, see "Labour and Human Rights" in Worlds of Labour. Further Studies in the History of Labour. 1984 pages 297 and 298.

3. The line which is being drawn here is related to the adoption of the new Brazilian Constitution in October 1988.

4. According to Morel, for example, the National Steel Company acted in many occasions as if it were above the CLT Law, in regard to workers' rights. See Morel, R. A Ferro e Fogo. Construção e Crise da Família Siderúrgica. PhD Thesis. 1989 pages 128, 334 and 337.

For a discussion on the older generation of workers in the days of the "company town" and the nature of their demands, see Chapter 3 of this thesis.

The focus on the contemporary use of the Labour Courts and on the state of workers' rights was not originally part of the research project for this thesis. However, it was emphasised to such an extent by workers during interviews - some 80% of whom had filed at some point in time, or were then filing a "legal case" against the company - that I decided to integrate the issue into the research. Moreover, data from the Metalworkers' Union and the National Steel Company showed that the number of cases filed by workers had grown considerably since the victory of the "Union Opposition" in 1983 (5).

This was an interesting finding, since one would have supposed that the more mobilised and organised the workers became (and the more their demands were granted through direct action and direct negotiation with management), the more likely it would have been that the number of individual cases in the Labour Courts would have declined. As we have seen, there were indeed two strong reasons for this supposition. First, the Labour Court had been used in the past by bureaucratic unions as a way of "delivering some goods" to its rank and file, through the delegation of power to "specialised lawyers", while keeping the rank and file completely uninvolved and apart from the action (6). This

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5. For details on the difficulties of access to company records on the number of judicial cases against the company, see Chapter 1 of this thesis.

6. This practice became strongly recurrent after 1964 and more so after 1966 with the creation of the FGTS and the end of tenure rights for those formally employed in the country. But as the political situation tended towards authoritarianism and repression over organised labour grew,

practice was a strong component of the "welfare union" and helped the bureaucratic leadership to justify its existence, as well as the fate of union tax. The practice was critically termed by opposition and left wing leaders as a "legalist practice" since the use of legal channels by bureaucratic leaders sought to substitute direct, militant action. As a result of this heritage, there was strong hostility against the use of legal channels by the "new unionist" unions, that emerged in the country after 1978.

The second reason for this supposition was that although, as far as I know, the "new unionist" movement has no explicit nationwide policy on the granting of judicial services, these might well have been reduced or eliminated as the other welfare services. They were supposed to be de-emphasised and even withdrawn as new union governments won in bureaucratic unions. A more direct and collective type of militancy should replace the individual and indirect clash with management set by the filing of legal cases in the Labour Courts.

Based on this background, therefore, the intriguing research question was the number of cases filed by workers had actually grown since the "new unionist" leaders took office in 1983. In fact, although the medical, dental and other welfare services were greatly reduced in the Metalworkers' Union of Volta Redonda, the role of the Legal

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only those willing to put their jobs at stake would take up a grievance against an employer while still employed. Therefore, the case filing during this period was usually restricted to issues regarding lay off rights, after the worker had already been dismissed by the employer.

Department grew in importance and performance during after 1983. Not only were more workers filing grievances in the Labour Court, but the union itself was seeking to formulate a policy for its own practice.

Union leaders and steelworkers linked to the Metalworkers' Union have re-appropriated the Labour Court's judicial structure for individual-level cases and have made "new use" of the system. Instead of being used as a mechanism to play down collective grievances, as in the times of the bureaucratic union, the legal cases have been "politicised" and been used as one arena, among many others, to push for greater rights for the workers.

It is important to note that this new practice is not operated without doubts by union leaders, activists and workers for although the recourse to law and judicial institutions denotes that the social actors in question acknowledge some level the legitimacy of these institutions, there is also a great degree of scepticism over the way in which the Brazilian judicial system is slow, expensive and ineffective. And, most important, there is a certain distrust of the efficacy and neutrality of the legal system, in the face of the Brazilian elites' privileges and experience in manipulating the law. Moreover, the erosion of the rule of law by the dictatorship which dominated the country for so many years, reinforced this caution with regard to the legal institutions.

## 2.2. The System of Judicial Case Filing

According to the CLT Law up until 1988, the legal service provided by unions was supposed to be the only service accessible to all workers who paid union dues, and not only to union members (7). Workers sought union lawyers for all kinds of problems, and these lawyers fought cases in the labour, family and civil courts.

To file a case in the Labour Courts, workers need the mediation of a lawyer, specialised in "labour issues", who may be either privately paid or engaged through the workers' union. Since free legal assistance is a legal duty of all Brazilian unions, this tends to be the favoured channel for workers - but the demand by workers for the service of union lawyers is also crucially linked to the type of perception held by workers of their union.

At least in Volta Redonda, from what was possible to gather from the interviews, while the union under Lustosa (1975-1983) was seen to be "pelego" and not interested in workers' everyday problems, workers tended predominantly to seek private lawyers. On the other hand, after the change in union government and the new perception of the union as a combative institution, not only did the demand for union lawyers increase, but the very number of cases grew

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7. The Constitution of October 1988 gave the Brazilian unions freedom in the way they use their finances.



significantly (8).

Although the case is filed by a lawyer in the name of a worker, there is a legal recourse which allows for several workers to be brought together in an individual case. In such a situation, one worker appears as the "head of the case" and the others are called "accompanying claimants". Through this practice, an individual dispute with the company gains a collective status, and unresolved problems shared by a group of workers or unsolved shop-floor conflicts can be played out against the company, through the Labour Court. Thus, although in the original spirit of the CLT Law, case-filing was to be an individual recourse to "justice", it became one more channel of collective action for workers' rights. In fact, this has been the policy developed by the new union leaders of the Metalworkers' Union of Volta Redonda, who took office in 1983, as can be illustrated by the 1986 "Legal Department

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8. I was not able to collect quantitative data on the level of the demand for private lawyers by the workers, over the years. This data would be very difficult to find, for it would mean locating private lawyers who take "labour cases" in Volta Redonda and in the neighbouring municípios. However, based on the interview material, it was possible to detect that as the level of awareness of the Labour Court system grows with the "politicisation" of the worker, a critical perception of the private lawyer also emerges. The lawyer is then seen as an "opportunist", who takes advantage of workers' problems, to gain material benefits. This "excluding system" (either private or public) is not, however, the complete picture. I found two cases in which although the workers were actively engaged with the new union and had filled collective cases with the union lawyer, they also had privately paid lawyers, filing other types of grievances. Both cases were against the Brazilian National Welfare System (INPS), for the recognition of a particular disease which they developed at work. The workers were seeking compensation from the INPS and justified the use of the "private lawyer" on the grounds that the union already had too many cases to handle.

Reorganisation" document, which reads:

"We understand that the Metalworkers' Union Legal Department has to adopt, primarily, a political line in coordination with the union executive, meaning it has to be combative, have a dynamic and innovating conception and be conscious of the struggle to combat the system of exploration in which we live. In this context, we would like to improve the services of the Legal Department and prioritise collective grievances over individual cases. This does not mean that we should leave individual cases aside, but it is possible that such questions can be turned into collective ones. The Legal Department should be a tool of mobilisation and contribute to workers' organisation" (9).

Despite the emergence of these dimensions of collective action and union support, the decision by a worker to file a case against the company is not an easy one to take. If he is still employed by the company, he may be subjected to all sorts of pressures and threats by the employer. Although the legislation protects the worker and prohibits dismissal because of legal case-filing, company managers have a wide variety of strategies to inhibit case-filing or to coerce workers to withdraw the case from the Labour Court. Even with the widespread use of the Labour Court by workers at the National Steel Company, some informants have alleged that managers had threatened that continuation of the court action would affect their future promotion or career prospects in the plant. Nevertheless, as we shall see from the data, workers have progressively sought this channel in pursuit of what they consider their legitimate rights.

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9. "Proposal for the Reorganisation of the Legal Department". Metalworkers' Union of Volta Redonda. 1986.

### 3. Presentation of the Data

#### 3.1 An Outline of the Legal Cases Filed by Steelworkers:

The research was based on three sources of information on the number and nature of the judicial cases filed by the steelworkers against the National Steel Company. They are respectively: 1) A list owned by the Metalworkers' Union of legal cases taken up by union lawyers, as the legal representatives of individual member or members. The list is classified by subject of grievance or demand, name of the worker, head of the case, and number of other claimants attached to the case, when appropriate (10). It outlines all the cases which were initiated or in progress in the period 1987-1988. 2) Listings owned by the National Steel Company of legal cases put forward by workers against the company. The company's list is better for historical comparisons since it ranges from 1978 up to 1987, but is less detailed than the union's since it does not distinguish between the grievances or demands. The list is produced from the regional conciliation courts in Volta Redonda, where they are judged in a first instance. 3) Finally the interviews

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10. Source: The name of the list is "Relacao de Processos em Andamento, 1987-1988". Metalworkers' Union of Volta Redonda. The list outlines court cases of steelworkers from different companies and firms. For the discussion in this section, I have left out the data on cases filed by steelworkers from other companies and limited the data to the National Steel Company. It should be noted that the number of grievances put forward by workers from other companies is very small and that cases from workers from the National Steel Company comprise the majority of the list.

with workers and leaders about the issue provided an important source of information about the dynamic and the process whereby a shop-floor conflict or individual problem becomes a legal case. I will analyse the data as follows.

Table 8.1

Cases Presented by Steelworkers at the Local Labour Court Against the National Steel Company, in the period 1978-1987

Year	Number of Claimants
1978	275
1979	968
1980	3,889
1981	1,547
1982	1,157
1983	590
1984	2,781
1985	12,589
1986	3,179
1987	2,148

Source: Data collected at the Legal Department of the National Steel Company. 1988.

Table 8.1 gives a clear indication of the ways in which the number of claimants in legal cases has grown over the years. The first significant jump can be seen from the year 1979 to 1980. Although this might be related to the emergence of the opposition movement and the development of shop-floor mobilisation, based on information from interviews, it is more likely to reflect the issue of the rights of retired workers, who were encouraged to put their cause against the company in the Labour Court (11). Because of this fact, the most significant increase is the one from the year 1983 to 1984 and then to 1985, when the total number of claimants rose to 12,598. There is very little doubt that this second jump is related to the election of the "Opposition Group" in 1983 and to the implementation of new policies in the union. Moreover, as one worker put it, the successful 1984 strike gave the union recognition by workers as a combative union:

"There are many legal cases handled by the union; as it became recognised as combative, the numbers grew. The exact numbers I don't know, but I know that it is very high (...) I myself and other mates in my Department have filed a case against the company for recognition of our area as an unhealthy area (...)" (Inf. 53).

Finally, the third significant increase in the number of cases, which occurred in 1985, is related to a grievance which emerged after the 1985 Annual Work Agreement and to the company's withdrawal of a "family-with children" bonus. Out of 12,598 claimants, 7,000 were connected with the "family-

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11. I will not analyse this issue in this section since the grievances of retired workers against the company is not a new phenomenon, but was going on since the beginning of the 1970s, when the FGTS system was adopted and many problems of compensation arose.

with-children bonus" case.

Company management has acknowledged that the number of legal cases has grown with the new union government and has sought to respond to this increase by opening channels of "conflict resolution" inside the plant. The creation of the "industrial relations advisor", already mentioned before, is a clear example of this movement. According to a manager:

"Up to 1983 there was a minimal number of workers filing cases against the company. Although they did exist, they were not as massive as at present. There was a great increase in 1984, 1985 and 1986. After 1983 the union leaders were much more active in relation to workers' grievances and this is why the numbers rose. There was a new union but there was no new policy on the part of the company. This is why the numbers rose. After 1987 we sought to change that, by creating a channel for workers to express their grievances before they went to the union (the informant refers to the industrial relations advisor and the partnership of his division with the union leader called Lopes, to oversee workers' problems and try to solve them as directly as possible". (Manager 2).

It might be argued, however, that not only has the company been unsuccessful in its attempts to increase the channels for conflict resolution but, most importantly, if we view the case-filing by workers as an attempt to expand their rights, the number of legal cases may tend to increase, the more the workers become aware and mobilised in relation to their rights.

Table 8.2

## Types and Frequencies of Cases Presented at the Labour Court by the Metalworkers' Union Against the National Steel Company

Types of Claims	Number of Cases	Number of Steelworkers/ Claimants
1. For the recognition of dangerous working area and payment of appropriate bonus	90	2,972
2. For the recognition of unhealthy working areas and the payment of appropriate bonus or for a higher level of compensation	65	6,234
3. For wage equality with other workers within the company - the "same job, same pay" principle	37	502
4. For job re-classification as a result of discrepancies between job performed and work title	28	46
5. Others (all sorts of work disputes with management)	n/d	1,691

Source: Data collected from the Judicial Department of the Metalworkers' Union of Volta Redonda. 1988.



Table 8.2 shows the different types of cases filed by steelworkers against the National Steel Company, under the responsibility of the Metalworkers' Union. There is no question as to the fact that "unhealthy" and "dangerous" working conditions account for the great majority of cases. It is also possible to see that "same job/same pay" issue and job re-classification, both "hot issues" on the shop-floor, came third and fourth in the distribution of judicial cases. As discussed in Chapters 4 and 5, in the period between 1983 and 1990, the "same job/same pay" dispute and the conflicts around discrepancies between actual job and job title on the work card were among the most frequent struggles fought between workers and shop-floor managers.

As seen throughout the thesis, these conflicts were directly related to changes in the organisation of work in the plant and to the introduction of flexibility policies. It was also shown that these conflicts became shop-floor politics and were converted into coherent demands in Wage Campaign Agendas and in strike grievances. It can be suggested that, in parallel to the use of these channels, workers also made use of the Labour Courts in an attempt to change their situation.

The high number of legal cases regarding workers' health can be clearly related to the harsh nature of the steel making process, together with bad working conditions which predominated in the plant for many years (12). I will look

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12. For a detailed discussion on this issue, see Chapters 4 and 5 of this thesis.

into them in greater detail in the next section.

### 3.2. A Further Look at Cases Covering "Healthy" and "Safe" Working Conditions

Since most of the filed cases concerned "health" and "safety", I would like to consider in detail the issues at stake. The right to a relatively clean and healthy working environment had been established as a worker's right, by the CLT Law promulgated for the first time in 1943.

According to the Law, an "unhealthy" working condition is one which "by its nature, conditions or methods of production exposes workers to agents which are harmful to workers' health" (13). The legislation then establishes levels of human tolerance which are supposed to be scientifically sound, defining maximum, medium or minimum levels of aggravation to the worker. A "dangerous" working area or activity, as defined by Law, is one which "by its nature or methods of production, involves permanent contact by workers with inflammable or explosives in conditions of accentuated risk (14).

Three propositions follow from the above definitions: 1) The characterisation and classification of both conditions are dependent on expert assessment by a doctor or engineer officially recognised by the Ministry of Labour as

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13. Source: Section XIII, Articles 189-192, Consolidação das Leis do Trabalho. Page 43, Atlas Editora, São Paulo, 1986. (71 edition).

14. Op. cit, article 193, page 43.

specialised in health and safety issues; 2) The exercise of work in unhealthy conditions, above the limits established as tolerable by the Ministry of Labour, entitles the worker to receive an additional bonus of 10%, 20% or 40% above the minimum wage, according to the Ministry's classification of maximum, medium or minimum levels of unhealthiness; 3) The exercise of work in conditions characterised as dangerous by the recognised bodies, entitles the worker to receive an additional bonus of 30% above the worker's wage (15).

As the National Steel Company is a steel making plant, the Ministry of Labour defined in its early days those areas and departments in which the dangerous and unhealthy bonus should be payed to workers. However, the expert definition of what is a dangerous and unhealthy working area is a relative and historical process, much dependent on the state of the arts and the level of knowledge on work-related diseases and the long term effects of the human contact with toxic materials. Moreover, as I will try to show in this section, the definition of the limits to unhealthy and dangerous working conditions is also dependent on the level of pressure from organised labour to reduce the levels of the "human body's tolerance" defined in the CLT Law (16).

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15. These conditions are defined in CLT Law, op. cit. articles 192-195 page 47.

16. The case of workers who deal with radioactive materials for example is a clear illustration of the relative nature of knowledge on diseases and how the limits imposed by Law are subject to constant reappraisal. There was a terrible nuclear accident in Goiania, a state in Brazil in which a group of people inadvertently handled and ingested a radioactive substance. They died a short period afterwards, but this gave national and international scientists expanded knowledge of

The legal cases presented by the workers against the National Steel Company which related to unhealthy and dangerous working conditions were of four different types. In the first and second cases workers seek recognition from the company that their working areas are dangerous or unhealthy, and seek the right to the payment of the appropriate bonus. In the third case, workers seek an expansion of the right already granted by law - workers usually seek a re-classification of unhealthy working activity from minimum or medium level to maximum level of aggravation thus increasing the level of compensation. A fourth type of case involves workers who seek recognition of their working areas as dangerous, added to the recognition of their area as an unhealthy one.

In Figure 8.3 it is possible to see a summary of the four different types of cases:

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the effects of the handling of nuclear substances on the human body. As a direct result of this tragedy, it was decreed in 1989 by President Sarney that all those who worked with radioactive material were entitled to a 40% bonus over their wage because of the high level of danger to which they are exposed. At the National Steel Company the new electrolytic machines have some parts which contain radioactive material to measure the correct width of the steel plate. As a result of the Goiania accident, the workers who maintain these machines, the electronic maintenance workers, have become entitled to this extra bonus.

Figure 8.3

Legal Case Types	Demands	End Result
Type 1	recognition that the work area is unhealthy	right to compensation
Type 2	recognition of dangerous working area	right to compensation
Type 3	expansion of rights by the decrease in workers' tolerance levels	increase in level of compensation
Type 4	granting of both rights - unhealthy and dangerous working bonus - at the same time	right to two compensations

In the four cases mentioned above, the workers seek to expand the limits imposed by the CLT Law, in relation to something very precious to them, their health. Although I argue that this type of action is a militant one, which touches on important political issues, this is not an unproblematic question in the literature.

Authors engaged in analysis of workers' health and safety, for example, question the effectiveness of legal action for what in the end will only be monetary compensation of a non-monetary commodity such as health. This question is referred to in the literature as "the logic of monetarisation of health risks" (Stotz 1986 and DIESAT 1988). It suggests that the whole logic of bonuses for unhealthy and dangerous working conditions has retarded a process towards their actual suppression; or in other words, that the "logic of monetarisation of health risks" has been responsible, in the long run, for low company investment in the suppression or general improvement of working conditions. This has been the case not only because the legislation "legitimizes" levels of tolerance of unhealthy and dangerous working conditions, where companies should be compelled to invest in changing them, but also because it dampens the pressure of workers who "exchange their health" for a bonus to their wage (17).

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17. This is also true for industrial activities which are by their nature harsh and dangerous such as mining, steel-making and chemicals. One point to make here is that although the steel industry has been subject to extensive improvements over the years, through the introduction of automation, numerically controlled machines and changes in the technology of the open furnace and steel-making, there has been very little improvement in the conditions of work from the point of view of workers. Although the available technology can

It should be pointed out that union leaders and activists are quite aware of this problem, as the following quotes attest:

"I receive a unhealthy working area bonus but I don't think it is worth while. The thing really worth doing would be to eliminate the problems. The money for me will not help in anything (...) because it might happen that I retire and I discover I have leukaemia, because the inhaling of toxic fumes can give you cancer. So the money will not have helped in anything". (Inf. 46, shop-floor activist).

"Most of the legal cases workers raise are absolutely just. They are demanding to receive a bonus for working in an unhealthy area or for dangerous working area bonus. It's fair but I don't think that it solves the problem, I don't think it compensates for what the worker might lose in terms of health. Nowadays almost everybody in the plant receives 20% over the minimum wage for unhealthy bonus but, if you put a case for dangerous working bonus, you are likely to wait years and years to see something happen. The company itself knows and plays with this, my area manager has spelled it out to us. By the time something is decided, it might be too late for the worker". (Inf. 52, shop-floor activist and later elected union leader).

#### 4. The Use of the Labour Court as Another Type of Strategy to Enhance Mobilisation and Organisation of Worker

Bringing together different perspectives and acknowledging the risk of "monetarising workers' health issues", the Metalworkers' Union has sought to develop a four-level strategy in relation to health and safety issues. First, as we have seen in Part Two of the thesis, it has sought through shop-floor pressure and through Annual Work

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reduce the level of accidents by giving notice to the workers of problems and failures in the course of production, the plant is still extremely noisy, dusty and hot.

Agreements to bring about a general improvement in working conditions in the plant. In this respect, if we compare the situation before and after the election of the new leaders in office in 1983, we can see a general improvement in basic welfare provisions (18).

Second, the union has consistently placed an item on Wage Campaign Agendas demanding company recognition of the whole production plant as an "unhealthy" and "dangerous" working area. The union have been successful in expanding this definition to most of the plants' departments. Today almost all workers engaged in production receive a 20% unhealthy area bonus for working in a steel plant. However, the company has not yet recognised the "dangerous" status of the plant as a whole. The major argument of union leaders is that the gasometer and the open hearth furnace are potentially explosive and that, in the event of an accident, all the workers in the plant could be involved. Therefore, all those working inside the plant should receive the bonus,

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18. An official report by the National Steel Company reads:

"Actions Taken by the Company to Improve the Working Conditions and the Quality of Life Inside the Plant in the Period 1984-1988.

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Installation of Ergonomic Rooms	52 units
Centres for Social Meetings	06 units
Installation of Rest Rooms with Lockers	12 units
Canteens	12 units
First Aid points in the plant	06 units
Social Services points in the plant	04 units
Refurbishment of the Industrial Kitchen	18.000 meals/day

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Source: "Relevant Data on the Company's Performance". National Steel Company. May 1989.



irrespective of the location of their department.

Third, there is the work in the CIPA which will tend to become more effective as the shop-floor becomes more mobilised and engaged not only in the prevention of accidents but in changing the working conditions themselves. The work which was being carried out in January 1990, after the election of a "workers' CIPA" with 23 workers' representative, and a president and vice-president from the shop-floor, was putting great stress on identification and transformation of "unsafe" working areas (19).

Finally, the fourth strategy is the union's particular way of organising the filing of legal cases. As the following quote will attest, unlike the former bureaucratic leadership, the new union government has sought to combine the use of the legal system with workers' mobilisation. The use of legal system, from this point of view, is not a tool for playing down workers' grievances and shifting conflict to a distant forum, but on the contrary, it is one of the many channels through which change and improvements in workers' conditions are sought, and through which workers are mobilised and organised. As one informant put it:

"When the "Opposition Group" was elected to office in 1983, we changed most of the lawyers and only two remained in office. If a worker came to the union wanting to file a case the usual procedure was for the lawyer to give him some papers so that he could get some other workers also wanting to file a case, and give the lawyer power of attorney. That would be the end and workers would not have anything to do with the case. Probably in a few

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19. Interview with Cerezo, the first CIPA President in the National Steel Company, elected in January 1990.

years' time they would hear about the outcome and that was it. The first measure we took when we entered the union was to eliminate this practice. If a worker came wanting to file a case we would first of all call for a meeting with all his mates in the department or with other workers in the same situation. We would then discuss the real chances of the workers' winning the case and we would involve the workers collectively. The larger the number of claimants the better, that was what we would encourage.

We started going collectively to the initial hearings at the Labour Court where before only the lawyer would attend. At one time, we were 1,500 workers, all in the court. This had several objectives: it sought active participation from the workers; it sought to put pressure on the court which should be subject to pressure from society, and it sought to put pressure on the company. Because 100% of the cases are related to arbitrariness, despotism and violation of workers' rights inside the plant. We seek with this to curtail company's despotism". (union lawyer, coordinator of the union's Leal Department).

According to another leader:

"We do go to the Labour Court but always showing the question of organisation. We used to say to workers that the recourse to the Justice system is an instrument, the best lawyer is the worker free and organised because that is what guarantees things on the shop-floor". (Inf. 55).

According to another union leader, the use of the Labour Court and the filing of cases are a process of demands in which workers expand their awareness of the very rights they are seeking to validate or extend:

"The movement around the filing of legal cases generates debate on the shop-floor and this is very good since many workers do not have knowledge of their rights (...). With the filing of a case the situation changes, the worker comes more often to the union to follow the development, to get informed and we take advantage of this to meet and chat with the workers". (Inf. 2).

#### 4.1. The Dynamics of Case Filing:

The process that leads to the filing of a legal case may have many forms and we would need to give many examples to illustrate the diversity. However, it is possible to identify three general patterns, which are the following. One is when the issue in question has been a shop-floor conflict for a long time but has not been solved locally. Usually, workers have sought a solution from management with no positive outcome, so, as a last resort, they request the intervention of the union lawyer and the filing of the legal case. The case of job classification presented below has followed this pattern:

"A short while ago we filed a case with the union against the company. Me and two other mates from the department. The three of us were in the same job. Then, two years ago they took an "annotator" just like us and gave him the title of "principal annotator", level 12, with an increase in his wage. Then we thought that we should also be re-classified to the same level as him. First we talked with the Head of our division about it; he said we would have to wait and that he was not sure if we were entitled, so we finally went to the union and we then filed a case". (Inf. 4).

A second pattern is one in which the worker goes directly to the union and no attempt is made to settle first with the company. According to a worker:

"We used to receive a bonus for dangerous working conditions and all of a sudden they (the company) stopped paying. So we went to the union and we then filed a case in the Court. We did not accept that the company stopped this payment, so we filed the case". (Inf. 36).

A third pattern can be found where Metalworkers' Union

officials and activists take the initiative in discussing with potential claimants and filing a case against the company. As already explained, this initiative is of a different nature from the filling of collective grievances as an institution against the company, such as during Wage Campaign Periods. In the type in question here, the claimant is still individual workers but the initiative comes from the union. This type of case-filing is used as an additional resource to put pressure on the company and to present demands which would not be entertained by the Courts as a request from the union.

The high number of claimants involved in a case in 1985 and presented in Table 8.1 is an example of one that resulted from the union's initiative. According to accounts, the high number of claimants, 7,000, was due to the fact that the case concerned the restoration of the "family allowance supplement". The CLT Law determines the payment of "family bonus" (salário família) to all employees who have children under the age of fourteen (20). The company had established a tradition of granting a supplement to the "family bonus", ever since the company-town days. According to informants, because of a "trick" in the 1985 Annual Work Agreement, the company left out this clause and the union only realised it after the Agreement had been signed. The workers were extremely angry with this and the union felt directly

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20. The "family bonus" was created in 1963 by Law no 4266. It establishes a bonus for employees with children, as a percentage of the employee's wage. Source: CLT Law, op. cit. page 613.

responsible for not having seen the problem in time. The union then took the initiative in filing a case against the company, to prevent a process of retraction of a long-enjoyed right. Through its network of activists on the shop-floor and the use of union bulletins, the union was able to summon 7,000 workers as claimants for the return of the "supplementary family bonus". According to the union lawyer, the judge in the Labour Court in Volta Redonda agreed with the workers and demanded that the company should re-instate this traditional right.

The second massive legal claim, one not referred to in Table 8.1, since it only covered the 1978-1987 period, occurred in June 1988 as a result of a campaign for the company to pay the full URP index in the May wages. Once again, it was an action initiated by the union, which had just finished a strike and saw in the case an additional means of pressure. The case involved 10.000 workers who were mobilised through the bulletins and shop-floor committees. The innovative feature was that, as part of its campaign for unionisation, the union limited the registration of claimants to union members. Since the case was not put forward by the categoria of metalworkers but by individual workers, if the court was to grant the claim, only the claimants would benefit, keeping out any "free rider" worker. Although this action did not significantly increase the number of union members that year, it showed the union's inclination to associate legal cases with the mobilisation and organisation of the workers.

## 5. Conclusion

When workers question the "human tolerance" levels defined by law to classify working areas as "safe" and "healthy", or when they seek to change the very notion of danger by proposing that the steel plant be defined as dangerous from the plant's gate onwards, they are demanding the legitimation of a right that is already considered as such by steelworkers and union officials, even if managers and the CLT Law do not acknowledge it.

Furthermore, the significant numbers of cases involving the "same job/same wage" principle and job re-classification denote that issues which were highly conflictual on the shop-floor, and which were turned into shop-floor politics by the union, were also channelled into a legal system as a struggle for equality of treatment between workers.

There is still much to be done by workers at the National Steel Company in the area of health and safety at work and in the implementation of a completely bureaucratic and impersonal system for the promotion, evaluation and transfer of workers along the job ladder. Nevertheless, the filing of legal cases by workers, together with the new Annual Work Contracts and the strikes, have undoubtedly resulted in considerable change in these matters.

I have argued that after 1983, the new union leaders and workers from the National Steel Company used the Labour Courts as a way to challenging the restricted definition of certain rights. These social actors sought not only to expand

these rights, but also to question the principles underlying certain rights and the way in which the system of the recourse to the Labour Courts is run.

We have shown in this chapter how the filing of legal cases by workers at the National Steel Company has become another resource of workers' mobilisation and organisation, within the repertoire of militant action led by the new union leaders. Notwithstanding the importance of this practice per se, I have sought to interpret this within a broader framework.

The use of the legal system by workers can be viewed as an attempt to change the law, in a context of limited incorporation of the working-class in society. What has been suggested is that there is a political relevance in resorting to law, which can be interpreted as an attempt to obtain public recognition and social equality. In this sense, the use of the law can be seen as an exercise by workers of citizenship rights, as an attempt to challenge the limits imposed by the CLT Law and to create new rights based on a belief system where workers are democratically treated and protected from danger and disease. This new practice can be seen as an important political innovation, in comparison to populist and to orthodox communist union leaders, who in the past did not consider or strongly seek to change the Labour Laws, but created parallel organisations to it.

Although the "new unionist" union under analysis in this case study cannot be defined as completely democratic, this chapter has argued that the use it has made of the Labour

Court has helped to lay the ground for a more democratic type of union. By making use of the law, and at the same time seeking to change it, the union has not only striven to gain public recognition as a legally constituted political actor, it has also sought to normalise (transform into law) an essential political innovation.



## CONCLUSION

The main purpose of this thesis has been to analyse a "new unionist" union and to assess the extent to which it has inaugurated a more democratic form of union rule, in contrast to the populist unions of the 1960s and the bureaucratic unions of the 1970s. In focusing on the issue of union democracy and the major problems and dilemmas faced by a "new unionist" union, the thesis started from Robert Michels' claim that unions necessarily end up as oligarchies and took up Roxborough's (1984) contribution to the problem by way of systematising four criteria, which taken together, could indicate democratic union rule. The indicators were: the existence of contested elections, a turnover of leaders, the closeness of election results and the existence of permanent and organised oppositions.

The thesis argued that since the "new unionist" movement was allegedly grounded on demands arising from the shop-floor and on active participation of the rank and file, shop-floor conflicts also had to be analysed, if any consistent assessment of a decade of "new unionism" was to be made. To this end, the thesis set out to combine a political analysis of the union with a micro-analysis of workers' politics and conflicts over production.

The operationalisation of this approach was guided by three theoretical contributions found in the sociology of the workplace. One was the labour process debate and the discussion about flexibility, in which the contributions of

Humphrey (1989) and Wood (1989) were especially significant. The second was the study of process industries by Guerra Ferreira (1988), Borges (1983) and Kelly (1982), among others. These contributions helped in the analysis of the steel plant as a process industry and at the same time locate it within a broader social context. The third contribution was found in Burawoy (1987), which allowed for a concept of politics within the arena of the shop-floor.

These contributions allowed the thesis to argue on the need of two additional criteria of union democracy, which together with the four suggested by Roxborough, could help in the assessment of the union. These are: 1) the nature of the union's organisational structure; and 2) the extent to which the union leadership takes up issues raised by the politics of production.

As raised in the Introduction, this thesis sought to answer the following questions in relation to the case study: 1) what types of shop-floor conflicts were found? 2) how did these conflicts relate to managerial policies? 3) how did workers assess the union and rate the new leadership? 4) how were political splits explained and justified by the leadership and the rank and file? 5) how was the "new unionist" union appraised in regard to the six criteria of democracy? The thesis provided answers to these questions and systematised as follows.

It was shown that the major shop-floor conflicts in the period 1979-1984 related to the non-bureaucratic system of employment relations and the type of clientelist networks

which prevailed in the plant. Up to this period the internal labour market was very much in tune with the traditional labour market of the steel industry, as suggested by Stone (1973), with restricted ports of entry and an emphasis on seniority and on-the-job training. Thus, although the seniority principle was applied, the excessive power exercised by foremen and other lower level managers in deciding promotion and job transfers was a great source of resentment by workers. This was probably a legacy from the company-town days, as well as being linked to the closed labour market of foremen and other lower level managerial jobs. The second source of shop-floor conflicts in the period were the bad and dangerous working conditions in the plant. These were related to the harsh process of steel-making but were aggravated by the implementation of the expansion programme D, which modernised the plant technologically.

The creation of other state-owned steel companies after 1964 and the end of the National Steel Company's monopoly over the flat steel product, produced important effects in the attempt by government and company management to rationalise and modernise the company. Within this process, the implementation of stage one of expansion plan D greatly affected the division of labour and the organisation of work inside the plant. In an attempt to reduce manning levels and rationalise production, the company managers stopped employing for what they defined as non-essential jobs in steel-making, which were then progressively transferred to sub-contracting firms. As a result, a new division of labour

and a new labour market of core and non-core workers emerged in the plant.

This thesis reinforced the conclusions of other studies of the steel process industry, which have shown a recurrent trend whereby managers try to differentiate jobs by their strategic importance to the semi-continuous production process. It was also argued that this process required a certain level of technological development of the plant. The core group, in this new pattern, are those strategic to the production process such as process and maintenance workers, whom management policies seek to stabilise by creating a particular type of internal labour market.

In regard to union politics, the thesis traced the birth of the "Union Opposition" in this period and showed how it later won the executive office of the Metalworkers' Union from the bureaucratic leaders who preceded it. The new officials tried to implement a markedly different type of union government and inspired by the "new unionist" ideas. Issues of active shop-floor participation and rank and file mobilisation were high on their agenda. A campaign for unionisation was further expanded and communication resources between union leaders and the rank and file were developed. The new leadership sought to change the bureaucratic outlook of the union with its heavy and expensive network of welfare services. The new leaders sought new ways to bring the rank and file into the union and at the same time develop forms of mobilisation and organisation of the rank and file on the shop-floor. In this respect and in sharp contrast with the

past bureaucratic leadership, 50% of the members of the "Union Opposition" continued working in the plant as steelworkers, after they has taken office.

As shown, the 1984 strike, the first ever in the company's history, marked a significant shift in the perceptions of the new generation of steelworkers. In contrast to the older generation, the younger generation no longer displayed the acquiescence of state-owned employees. With this strike, the "new unionist" leadership was legitimated in the eyes of ordinary steelworkers, in a massive way. It was also possible to observe in this process a transition in the political culture of the shop-floor whereby shop-floor conflicts previously experienced by workers at an individual level, were channelled by political mobilisation and turned into articulate demands by the new leaders. Shop-floor conflicts were now taken up by the new leaders who were themselves steelworkers sensitive to the problems in the plant. It was argued in the thesis that this illustrated the process of transition from a shop-floor conflict to what Burawoy termed politics of production and allowed us to suggest that there were significant levels of identity between the needs and goals of workers on the shop-floor and their union leaders.

In the second period under investigation, 1985-1987, it was shown that the major shop-floor conflicts were related to the introduction of flexibility policies by management, in an attempt to expand the technological modernisation driven by the expansion programme. These flexibility policies, directed

at core workers, sought to alter job descriptions and to create work groups. As suggested in the literature on process industry, flexibility policies sought to raise productivity levels by engaging core workers even more in the production process and by distributing among them the responsibility for the outcome of production.

It was shown that company policies of greater flexibility created and/or accentuated some significant shop-floor conflicts. The decrease in the number of job titles combined with an increase in the job descriptions, led to an outbreak of demands by workers to have their actual jobs recognised. Functional flexibility and the introduction of work groups also created conflicts over job promotions as well as demands for the company's job and wage classification scheme to be made public.

Another process taking place at the time was the beginning of the company's democratic policy. This was the direct result of the birth of the "New Republic" (1985) in Brazil and the change in the executive boards of state-owned companies. The democratisation showed itself in many ways but was best illustrated by attempts of management to create a more consensual form of rule in the plant. The Department of Industrial Relations was re-structured in an effort to channel workers' conflicts on the shop-floor before they turned into more organised mobilisation. At the same time the union was allowed significant penetration inside the plant. Since the Metalworkers' Union in this period was significantly rooted on the shop-floor and had expanded the

level of organisation and mobilisation, many of the shop-floor conflicts of the period were turned into shop-floor politics. This took place not only through the union's coherent and assertive presentation of demands to the company, but also through the innovative use of two other channels opened to workers by the CLT Law.

The first type of innovative activism consisted in the politicisation of the CIPA (Internal Committee for the Prevention of Accidents), with the election of "new unionist" activists as CIPA representatives. This was a way of "legalising" the role of shop-floor representatives in the face of management's hostility to recognition of factory committees. The second type of innovative activism was the support given by the union to steelworkers in making use of the Labour Courts against the company, but in a massive and politicised way.

Although from the point of view of the shop-floor, new unionist strategies were developing with great force, the splits inside the union and the expulsion of an opposing group from the executive in 1985, undermined the new leaders' commitment to a democratic union.

Moreover, the 1986 union elections provided an illustration of the type of issues at stake for the "new unionist" union. The overwhelming vote for the "new unionist" leaders in power proved that ordinary steelworkers rated their policies as a success, but it was also an indication of the difficulties posed for union opposition groups to organise and compete in equal conditions with the new union

leaders in power. The negligible number of votes given to the two opposing slates, taken together with the leadership hostility towards the opposition, was interpreted in the thesis as a sign of a type of power monopoly of the executive over other groups within the union.

During this second period, steelworkers at the National Steel Company engaged in strike activity on five different occasions. Although the "New Republic" government was putting forward economic plans to control the inflationary spiral, the two years from 1985 to 1987 were marked by very high inflation rates and recurrent attempts by government to obstruct corresponding wage readjustments. The period closed with the August 1987 strike at the company, in which there were clashes between steelworkers and the army. There was a radical turn in the company's policy on democracy and the beginning of a repressive style of management. Union leaders, CIPA representatives and activists were expelled from the plant and all political-organisational clauses recognised by company management in previous Annual Work Agreements were revoked.

The third and final period investigated in the thesis, from September 1987 to 1990, was marked by a deepening of the company's profitability crisis due to macro-economic policies to contain the price of steel. Moreover, the government's rhetoric of economic liberalism, which posed a threat to state-owned productive companies, led management to seek an ever greater improvement in the company's productivity levels and product quality. In this period management attempted to



rationalise the company even further, with the creation of a bureaucratic system of recruitment, selection and promotion of the workforce. This was accompanied by the opening up of the internal labour market in the company to skilled and technical level jobs, and an increasing emphasis on formal education and training in place of on-the-job and seniority principles. The thesis suggested that this process could betoken a major change in the traditional characteristics of internal labour market of steel, although it is still too early to make a definite assessment. These years were also characterised by a continued implementation of the flexibility policies of the previous period and by further rooting of the technological modernisation brought about by phase three of the expansion programme.

It was shown that shop-floor politics during the third period revolved strongly around two issues. On the one hand, workers attempted to re-create some form of shop-floor organisation and to reduce what they called the "repression" inside the company. On the other hand, management's unclear policy on transfers between shifts became a major strategic issue and source of conflicts for workers, because it hindered them from gaining access to the higher levels of formal education that management now required of its labour force.

Despite the repression, workers slowly re-created a grass-roots organisation, in the form of clandestine committees on the shop-floor. Although this was seen by union leaders as an important illustration of shop-floor autonomy,

it also posed a dilemma to the leadership which was faced with the threat of seeing their leadership undermined by the enhanced role of shop-floor leaders. This fear was reinforced by the fact that groups in opposition to the union saw in these clandestine committees effective ways to influence the course of union politics, at least at the shop-floor level.

Inside the Metalworkers' Union, the laying-off of union leaders and activists by the company in 1987 affected union organisation in many ways. Most importantly, the incorporation of some of these laid-off workers into the union apparatus aggravated some underlying conflicts, as a greater number of people were now competing to influence the decision making process on every-day as well as long term issues. Moreover, the many dramatic events which marked this period accentuated the divergence of opinions within the leadership regarding strikes, relations with management and central government. With the development of such splits, two other groups of workers left the union executive, one group resigned in 1987 as a result of pressure from their peers, the other group was expelled in 1988. As with the expulsion of the opposing group in 1985, this illustrated the difficulties found by these "new unionist" leaders to negotiate and conciliate different political opinions within the union.

This third period was significantly marked by the union elections of September 1989 and the alteration of the union statutes. Although many of the individuals on the executive at this time were the same people who had composed the "Union

Opposition Group" in 1979, the faction which won control of the union executive was committed to a democratic reform of the union, desiring a more democratic distribution of power, more open decision-making channels and an expansion in the forms of representation open to the rank and file. Thus, the new statutes allowed for a major shift in the power distribution in the union through the creation of a "council of representatives", elected from the shop-floor, which was to be the highest instance of power, above even the union executive. This third period closed in January 1990 when the new union statutes were starting to be put into practice. January also marked the beginning of a new period for state-sector workers, with the threat of privatisation presented by the newly elected Brazilian President Fernando Collor de Mello.

Analysis of the opinions of common steelworkers about the developments during these three periods revealed that they not only praised the new union leadership for its combativeness and courage but also perceived a sharp break with the former bureaucratic union leaders. However, as time passed and the splits between leaders developed, ordinary steelworkers also developed criticisms of the new leadership, essentially with regard to the boundaries between "union politics" and national level politics. Within this framework, the new leaders were criticised for leading steelworkers into national strikes and for presenting themselves as candidates for local legislative and executive posts as well as for the federal Congress.

In regard to the six criteria of union democracy proposed here, the analysis of the case study allowed us to suggest that, in fact, the "Union Opposition" group who won office in 1983 has shown problems of implementing a completely democratic form of union government. The new union government can be evaluated positively on three of the criteria but not in regard to the closeness of elections, the existence of permanent and organised oppositions and the turn-over of leaders.

In the union elections of both 1986 and 1989, the "new unionist" group in power won some 80% of the votes. It is clear that such an overwhelming majority of votes for the union leaders should be interpreted as a demonstration of support of the rank and file. Nevertheless, when these election results are considered together with the leadership hostility towards opposing union groups, it is possible to suggest that there was a tendency within the union towards a monopolistic type of power in which the opposition had little political space. On the other hand, the penetration of members of the "New Opposition Group" as CIPA representatives and even as CIPA president, in 1990, and the creation of new union statutes granting great power to the new "council of representatives", may be seen as a countervailing tendency and an indication that opposition groups will have greater power to influence union politics in the future.

In regard to the turn-over of leaders, around 50% of the members who made up the union executive remained the same from 1983 to 1990. Moreover, even if 50% of the leaders did

change, it is possible to say that the new figures were incorporated into a group with a common programme and some shared political principles. However, despite the low turnover in regard to the political group in power, there was a significant innovation in the process. The innovation was the emergence of a new intermediate level of leadership, whereby common shop-floor workers became engaged in union politics and some were able to progress to become union officials.

The three criteria of union democracy which were appraised as positive were: the existence of contested elections; the change in the internal structure of the union towards more democratic organisational forms of running the union and participation of the rank and file; and the taking up of shop-floor politics by the leadership in their agenda of demands.

As already outlined, the new union leaders organised elections according to the union statutes every three years, and they were held with the participation of competing slates, under open and transparent conditions.

The change in the internal structure of the union was best illustrated by the new 1990 statutes, in which shop-floor representation was systematised and the distribution of power was allowed to shift in favour of grass-roots groups. The new statutes also allowed, for the first time, for the formal organisation of permanent oppositions, who were also taken as members in the "council of representatives". Despite these developments, the debate over the relative emphases to be given to direct and militant collective activities versus

welfare types of services remains a point of contention in the new organisation.

The case study also affirmed a third criterion of union democracy. The union leadership did take up issues raised by the politics of the shop-floor. This is one of the most innovative and democratic characteristics of the union investigated here. The union not only had a significant grasp of the issues at stake but also found ways to channel these and to formulate them as coherent demands of the workers.

As to the splits within the union, the thesis has argued that, although the union leadership was able to lead the union executive and to impose changes in relation to the past bureaucratic unionism, the union officials, activists and CIPA representatives are divided in their opinions about basic aspects of unionism and politics.

The case study has shown that these divergences concern the following points: the appropriate dimension of union goals; the best type of distribution of power; the nature of union activities and the types of services it should provide to its rank and file; the level of radicalism of union goals; the formal position in relation to union democracy; and the definition of the union's appropriate interlocutors. It was suggested that the leadership's views could be characterised as three "political types"; the "paternalist"; the "radical reformist" and the "revolutionary" types; - and that they illustrated major problems faced by the "new unionist" leaders at national level. I would like to conclude by ranging these issues under four basic dilemmas:

1) The first dilemma is related to the attempt by "new unionist" leaders to change the bureaucratic structure they inherited. It may be formulated as follows. As "new unionist" leaders assumed office over the years, the intra-group divisions increased in number and complexity. With the passing of time, the problem faced by the leadership was no longer to win office from bureaucratic leaders but to define long term policies for the union in the context of the institutionalisation of a "new unionist" movement within a more democratic society. The two basic problems which derived from this were 1) choosing the form of representation, ie, "active democracy" or "passive democracy" and; 2) defining the long term goals of a "new unionist" union, ie, the pursuit of "negotiable and instrumental goals" for the workers or the pursuit of more radical goals of social change. The difficulties were illustrated in the case study by the development of splits within the body of union leaders and activists and by the divergent positions of the "paternalist" political type on the one hand and the "revolutionary" political type on the other.

2) The second dilemma arises from the process whereby radical shop-floor activists, committed to direct and militant action, became union officials and were faced with the contingencies and responsibilities of leadership and had to some extent to "play down" union radicalism. As they did this, they entered into a direct clash with more radical workers and were faced with allegations of being co-opted by the system. This dilemma was perhaps best illustrated in the

developments after the 1984 strike and the splits among the "new unionist" leaders over the duration and tactics used during the strike. It also reappeared in the November 1988 strike when there were direct clashes with government and the army.

3) The third dilemma stems from the "new unionist" commitment to encourage shop-floor mobilisation and organisation and the attempt to legalise shop-floor representation. For, although the new leaders favoured autonomous shop-floor organisation, they also felt threatened of being "outspoken" by their shop-floor constituents. This tension developed even further when, as a result of the leadership encouragement of democratic union policies, shop-floor organisation increased and workers started to take initiatives and to act autonomously on the shop-floor. In the case study this dilemma was best illustrated during the re-creation of shop-floor organisation in 1988 and the emergence of clandestine committees. This basic dilemma was extended even further when union opposition groups began to see in these shop-floor organisations as spaces to bring forward their own alternative policies.

4) The fourth and final dilemma is related to the fact that, despite a greater level of identification and convergence between the "new unionist" leadership and the rank and file, there is one area of union goals where they will differ. Because the leadership is engaged in broader political exchange, such as with employers and the government, and because the rank and file usually is not



involved in this, a difference of opinion is likely to develop between the two concerning the definition of some of the union goals. In the case study, this type of dilemma could be seen in the sharp distinction that some steelworkers drew between "union politics" and "national politics" and the view that the one must remain separate from the other. If we consider that one of the objectives of the "new unionist" movement was not only to present a new type of unionism but also to change the political insertion of the working-class in national politics, it is possible to conclude that the dilemma is unsolvable. Whereas some rank and file workers alleged that there was goal displacement from the leadership who stood for election in local and national level politics for example, the union leaders could argue that it is precisely this broader political exchange which will allow many of the union goals proposed at local level to be achieved. Although it is suggested that this does not constitute evidence of the emergence of oligarchic rule, it does point to a fundamental difference between union officials and their members.

I would like to suggest that the dilemmas and problems raised here are illustrative not only of the case study in question but also of other "new unionist" settings. They appear in the debates between organised labour groups at national level in the 1980s - groups which have split along the lines of "classist unionism" versus "unionism of results" versus "neo-corporatism". Perhaps the core issue can be located in the quest to define what are to be considered

"appropriate" union goals and to define the long term role to be played by Brazilian unions, after the changes to the Labour Code introduced by the 1988 Constitution, in a country undergoing a process of democratisation. However, since this was a single case study, the conclusions drawn here can only be raised as propositions to be tested vis-a-vis other cases.

Despite this qualification, this investigation has allowed us to answer the more general issues raised in the Introduction. Thus I would argue that the "new unionist" union does constitute a sharp break with the past bureaucratic form of unionism, even if it is not yet completely democratic. The "new unionist" union is in fact more militant, and it has developed forms of shop-floor representation, allowed for the emergence of intermediate level leadership and advanced the expansion of workers' social and political rights.

From the knowledge available today about national level politics, it is possible to argue that the growth of the "new unionist" movement as a whole has played a central role in expanding workers' social and political rights. This process can be seen at work in the emergence of the PT as well as the organisation of other parties with popular support, such as the PDT. The other arena of working-class participation may be illustrated by the election of workers as federal deputies for the drafting of the new Brazilian Constitution in 1988, and also as majors and other local level representatives.

At local level, the thesis claimed that the contribution of the "new unionist" union to the expansion of workers

rights was especially significant in the politicised use of the CIPA and in the innovative use of the Labour Courts, in regard to legal cases against the National Steel Company. I have argued that this was significant for attempting to expand the rights as well as creating new bases under which the rights were granted. Given the political heritage of the traditional left, the "new unionist" use of the law and the attempt to change its content were particularly innovative. Similarly, the attempts of "new unionist" leaders at national level to change the corporatist structure in the new Brazilian Constitution attested to a significant shift and the birth of new ideas among the left.

Although the results of the new Constitution dealing with labour rights did not dismantle all the previous characteristics of the corporatist system, maintaining in particular the principle of union unicity and the compulsory union tax, organised labour did gain the freedom to organise autonomously from the Ministry of Labour. A significant point of change of the "new unionist" union in comparison to the populist unionism of the 1960s, or even with the positions of the traditional left in regard to Labour Laws, was that the "new unionist" movement did not settle for "accomplishments of omissions" as did these other union groups in the past, but sought to bring about changes in the law itself (1).

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1. "Accomplishments of omission" is a term used by Keck to describe concessions obtained by organised labour from government as a result of government's unwillingness or impossibility to utilise the mechanisms of control and repression available under the previous Labour Code. Keck, M. "New Unionism in the Brazilian Transition" in Democratizing Brazil. Stephan, A. editor. 1989 page 252.

Finally, and notwithstanding the dilemmas raised in this conclusion, it is possible to suggest that the "new unionist" union illustrated in this case study was able to contribute to breaking with a "catch 22" situation which has characterised much of the past history of organised labour in Brazil. The politicisation of the "new unionist" movement and the ascendance of its leaders at local and national level politics was not the result of the delegation by the state nor the result of the erection of "parallel" organisations to the Labour Code. Rather, they were based on representation and strength on the shop-floor and on the movement's struggle to change the role of organised labour. In this respect, it is possible to say that the movement has contributed to the expansion of the citizenship rights of workers.

The experience of the Metalworkers' Union of Volta Redonda, which has been analysed in this thesis, points forward to the development of the "new unionist" movement, in its second phase, ie, ten years after the metalworkers' strikes of 1978/1979. In this second phase, it has spread to other industrial sectors and has involved many different groups of workers. It is suggested here that the divisions among organised labour in Brazil have been based not on splits between industrial sectors, skill levels or regions, but on different perspectives about union goals and the role of labour in a more democratic society.

The thesis suggests that the "new unionist" movement has been successful in inaugurating more legitimate and democratic forms of union government. The case study

indicates that at local level it has allowed for the emergence of intermediate level leadership as well as the institutionalisation of informal types of shop-floor struggles. On the other hand, it is argued that the "new unionist" movement still has many aspects which may be characterised as non-democratic and that the movement has generated a new set of problems and dilemmas for organised labour in Brazil.

Although it is beyond question that the emergence of "new unionist" movement has radically changed the role of organised labour in Brazil, a society which was used to exclude to a significant extent the working-classes from politics, this case study offers the opportunity for the analysis of the contending problems still at stake and the type of challenges open to workers in the 1990s.

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APPENDIX

Strike Chronology Amongst Steelworkers from the National Steel Company, 1984-1989

Month/Year	Type of Strike	Duration	Tactic	Major Demands	Significant Outcomes	Observations
May 1984	plant level strike	5 days	occupation of the steel plant	wages, working conds. and org. clauses	the union was granted the right of entry in the plant among other rights	first ever strike in the plants history
Dec. 1985	plant level strike	1 day	occupation of the steel plant	to protest against the end of some state-employee benefits, called "pacotao"	-	-
Oct. 1986	plant level strike	1 day	strike outside company's premises with picket line. Only those responsible for the production process allowed in	to protest against further governm. measures to restrict the rights of state employees	although the strike was not intended to last one day only, after the army was called in, the union called for the end of the strike and was quickly answered by the rank and file	first intervention of the army inside the steel plant
Dec. 1986	national level strike	1 day	occupation strike as well as strike outside the plant, to gather support from other groups of workers as well as from the population	against the Cruzado Plan of President Sarney	5 union leaders jailed but later released first national level strike since 1964	second occupation of the army inside the steel plant
April 1987	plant level strike	5 days	occupation strike	breakdown negotiations during "Wage Campaign" period	extracted one of the best wage readjustment of the period in comparison with other groups	-

## Appendix

## Strike Chronology Amongst Steelworkers from the National Steel Company, 1984-1989

Month/Year	Type of Strike	Duration	Tactic	Major Demands	Significant Outcomes	Observations
Ago. 1987	national strike	1 day	occupation strike	protest against Bresser Plan	first clash between steelworkers and army soldiers  major shift in company's democratic policy	third army occupation
May 1988	plant level strike	2 days	occupation strike	breakdown during "Wage Campaign" period	-	-
Nov. 1988	plant level strike	17 days	occupation strike first days and later strike outside steel plant	for company's recognition of some of three rights granted by new Constitution plus wage readjustment	serious clashes between steelworkers and army, three workers killed and 100 wounded, national comotion and developments	fourth army occupation
Mar. 1989	national strike	2 days	occupation strike	protest against Summer Plan	-	-