Reforms Against Workers in Brazil Threaten All Latin America

Trade Union Confederation of the Americas (TUCA), ALAI

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July 20th, 2017, São Paulo - ALAI - Today Brazil, the main economy of the region, is the laboratory of the most aggressive and reactionary anti-labor reforms in Latin America. Such is the result of the abrupt political shift to the right recently experienced by the country and, as Trade Union Confederation of the Americas, it is our obligation to analyze what is happening and develop answers that are up to the challenge.

Slightly more than a year ago, a broad coalition of reactionary political, business and social forces brought about a coup d'état -using parliamentary means- resulting in the replacement of progressive president Dilma Rousseff with vice president Michel Temer, a conservative politician.

The media campaign against Dilma concentrated on denouncing alleged corrupt practices in her administration and in Lula's previous term. With the process underway, the Congress accused her of violating the rules of public administration, practices observed in all previous administrations and which the illegitimate government that succeeded her is brazenly repeating. The anti-corruption campaign was a pretext. Nothing has been proven against Dilma and Lula regarding their alleged corruption. The purpose of the coup was to implement a social and economic program that the Brazilian people had rejected in the four previous elections (2002, 2006, 2010 and 2014) but that the coup government wished to impose, invigorated by the reconstitution of reactionary forces, with the monopolistic support of the media conglomerate and the support of the majority in Congress.

Firstly, Congress passed a law to mainstream outsourcing or subcontracting involving wage reductions and the weakening of trade unions and collective bargaining. Outsourcing in all activities will benefit all enterprises, but especially large corporations and multinational enterprises.

A change in the Constitution was immediately approved to freeze the State's social spending for 20 years; this meant the end of any hope to improve public services. From now on a government will not be able to develop public policies in favor of the population. A generation of Brazilians will suffer the effects of this reduction in the role of the State. This freeze of social investments will be gateway for further privatizations in areas such as health and education, among others.

Two draft reforms were then launched: one for retirement and one for trade unions. The first requires constitutional changes, i.e. a qualified majority is needed. This reform will make retirement more difficult, raising the retirement age and the years of contribution, while lowering the amount of the pension. This counter-reform of pension system will mostly affect women and rural workers who have lower life expectation, earn lower wages and have contributed less years.

The labor reform only required changes in the CLL (the labor code known as Consolidation of Labor Laws) that was passed in 1943. No more than a simple majority of the vote was needed. Law firms and business entities presented copious amendments and their approval in the lower and upper houses was immediate. The illegitimate president has already enacted the law, which will come into force in 4 months.

According to the analyses performed by trade unions and specialists, this labor counter-reform negatively affects over 120 individual and collective aspects that protected working conditions. These include: it allows individual negotiation between employer and worker; it eliminates the idea of working day and

creates intermittent work; it will allow dismissal by common agreement between employer and worker; it undermines the national minimum wage and the wage floors per trade association; it blocks options available to workers to demand their rights before labor justice; it allows collective bargaining with the employer to further undermine the rights still remaining in the law; pregnant women are allowed to work in environments that are considered unhealthy. The reform invalidates the law that regulated the convention on domestic work and guaranteed historic rights to female domestic workers. Workers can be paid per period of work, i.e. per hour or per day. And it eliminates the funding for trade unions, which has been mandatory since the 1940s.

We must stress the impact of the labor reform on collective action and on the very existence of trade unions. The obligation to "negotiate" between worker and employer, without trade union presence, will facilitate the imposition of conditions inferior to the collective agreement, where it exists. It is highly unlikely that a worker, at risk of losing his/her job or of suffering other forms of discrimination, will be able to confront the power of the employer and the enterprise. By facilitating piecework, per hour or per production, workers are exposed to permanent job instability and trade union membership will be undermined. The expansion of outsourcing will deepen the scenario of first-class (fixed and with collective contract) and second-class (outsourced) workers, with increasingly less of the former and no collective protection for the latter majority.

Many large enterprises have already undertaken massive redundancy processes. Such is the preliminary phase to take advantage of the new (cheaper and precarious) legal forms of employment. During the current recession, or even once the economy recovers, there will be no decent wages or jobs. The new Brazilian labor world will look like what it was one hundred years ago.

Now the Temer administration has embarked on the retirement reform. Accused with evidence of corruption, Temer and his cabinet are running out of time to prove to the large employers' federations, the media oligopoly and international capital that their anti-popular reform agenda continues, and that he and his team are indispensable to their approval. Temer's very probable departure from the presidency for corruption in no way signals a change in the anti-popular and anti-worker approach of the administration which will replace him and which will be appointed by the same corrupt Congress committed, above all, to the ultraliberal shock agenda in progress. In actual fact, the purpose of the coup was to implement the anti-popular reforms, not to clean up the policy.

Although it started in Brazil, such is the plan of the rightist forces of the Americas and the world: to propel a neoliberal counterrevolution and set back working conditions to what they were 100 years ago. What is happening in Brazil is followed closely by the "market forces" now prevailing in several countries of the region and the planet. If this project advances in Brazil, it will dismantle the social constitution of 1988 and its re-democratization, as well as everything accrued in almost 80 years of social struggles.

Even worse, the legal changes in the world of work in Brazil will be a signal to attack the Fundamental Labor Standards, accumulated in almost 100 years of conflicts between workers, employers and governments, and which are the heritage of the International Labor Organization. Work (ILO). Other international accords protecting human rights will also be affected, such as the UN International Covenant on Economic, Social & Cultural Rights (ICESCR) and its Optional Protocol.

Together with the Brazilian working class, the TUCA is totally committed to fight against these reactionary reforms, in the same way as we have been and continue to be against the coup d'état. We call on the entire trade union movement of the Americas to accompany the campaign of solidarity with the working class of Brazil, to act against the anti-popular reforms, in favor of the departure of coup governments and for direct elections enabling the recovery of the democratic rule of law and justice. Given that Brazil leads the "run to the bottom" with the plundering of rights, this policy will be imitated in all our countries. Employer organizations will impose these and other reactionary reforms in each nation pointing to the decline in labor costs in Brazil.

Previously the excuse was Chinese products, now the low costs in Brazil will be used to put pressure on working conditions, trade union rights and the social achievements of each and every one of our countries.

We must respond as a continent to this action of the reactionary forces. The TUCA calls on all our affiliated national trade union centers to define coordinated actions to commence the offensive against the aggressive agenda of transnational capital and its local expressions in our countries.

We need to build strong international coordination for us to regroup and define a common agenda for mobilization and struggle, in conjunction with all other social movements and sectors experiencing the same onslaught. Therefore, we must ensure that the Meeting of the Continental Day for Democracy & Against Neoliberalism, to be held on November 16-18 in Montevideo, becomes a powerful expression of the union and popular struggle confronting the neoliberal counterrevolution in our region.

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