

# **Precarious work, development and the social question in Brazil:** *A tortuous and difficult path*

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- Brazil is currently suffering a deep economic stagnation and a severe political crisis, after a period of significant economic growth.
- This paper aims to situate the Brazilian “social question” in both historical and current perspectives, focusing on the labor issue and relates it to the matters of development, labor informality and democracy.
- We intend to demonstrate that the end of the PT’s government cycle, precipitated by a severe economic and political crisis and the recent impeachment of President Rousseff, will certainly lead to an unprecedented political and social backward step, after important social development took place.
- We also seek to demonstrate that with the current trend toward the precarization of work, a new boost in social development depends on the organizational capacity of informal and precarious workers.

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Brazil is currently suffering a deep economic stagnation and a severe political crisis, after a period of significant economic growth. These circumstances make it an apt time to evaluate the challenges currently faced by workers and their organizations, as well as their consequences for the future of the living and working conditions of the majority of the population.

This paper aims<sup>1</sup> to situate the Brazilian “social question” in both historical and current perspectives, focusing on the labor issue and, as far as possible, trying to relate it to the matters of development, labor informality and democracy.

On the one hand, we intend to demonstrate that the end of the PT’s<sup>2</sup> Government cycle, precipitated by a severe economic and political crisis and by the recent impeachment of President Rousseff, will certainly lead to an unprecedented political and social backward step, after important social development. On the other hand, we also seek to demonstrate that, with the current trend toward the precarization of work, a new boost in social development particularly depends on the organizational capacity of informal and precarious workers.

## **The developmentalist contradictory promise**

Like Cardoso (2010), we agree that social

inequality, being a legacy of slavery and other historical distortions, became one of the structural conditions of the Brazilian society. Despite important shifts brought about by industrialization, which gained momentum from the 1930’s forward, the changes that followed could not contribute to overcome inequalities. That is, the pattern of sociability adopted alongside the development of capitalism in the country has been deeply marked by the way the workers have been incorporated (under diverse modalities) into the new socio-economic order (Barbosa, 2008).

Capitalist development in the core countries was accompanied (at least for most of the 20th century) by the introduction of social rights for workers. The constitution of the Welfare State, which was based on the Fordist production paradigm, resulted from two main historical associations: on the one hand, between capitalism and wage labor relations (not only in the industry but also in the agriculture and the services sector); and, on the other hand, between wage labor relations and social protection (through the institutionalization of social rights associated to the labor contract) (Castel, 1995).

By contrast, Brazil has never managed to introduce an adequate regulation of the capitalist market, nor to guarantee universal access to citizenship rights at a level that could equate to that achieved by socially more developed countries. In comparison with the European and American cases, Brazilian industrialization was late, wage labor relations only took root in part of the economy, and the incorporation of social protection mechanisms was restricted and kept under state control. Until the 1930s, various forms of non-capitalist production systems had prevailed, in order to ensure

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2. PT - Partido dos Trabalhadores (Worker’s Party).



the expansion of the export agriculture (increasingly boosted by coffee cultivation in the region between the states of Rio de Janeiro and São Paulo) and rubber extraction (in the Amazonian region). As of the 1930s, the first significant industrializing boom took place, having as its epicenter the city of São Paulo, and consolidating a strong economic imbalance between the “backward” Northeast and the “modern” Southeast. This arrangement was established in correlation with a profound social segmentation (implying social gaps between classes, genders, ethnicities / races, generations, regions of origin and others). The formation of Brazilian society thus was made under strong contrasts and social inequalities.

Nevertheless, some protective measures for workers have been implemented starting in the early 20th century<sup>3</sup>. For instance: the law of protection against work related accidents, in 1919; the creation of Retirement and Pension Funds for all the main professional categories, in 1923, which in the 1930s became established as Institutes of Retirement and Pension as well as the creation of a health insurance, in 1927. With the Revolution of 1930 and the installation of a civilian dictatorship by Getúlio Vargas in 1937, that became known as the “New State” (“Estado Novo”), the labor market underwent its broader structuration. Among the measures carried out in the 1930s and 1940s, it is worth pointing out: the creation of the Ministry of Labor, Industry and Commerce, in 1930; the law of unionization, in 1931; the institution of a work card<sup>4</sup> and the regulation of the

8-hour workday, in 1932. Also established were the law of assistance and social security, in 1934; the institution of the Consolidation of Labor Laws (CLT), in 1943; and professional education services, coordinated by business entities with state support, especially the National Industry Service (SENAI) and the National Service of Commerce (SENAC), were created in the 1940s.

According to Santos (1987), from the 1930s on, the country adopted a mode of regulation of the capital accumulation process, which he called “regulated citizenship” (*cidadania regulada*). This was founded not on political democratic values, but on a system of occupational stratification. Three main institutions formed the basis of this model: the regulation of professions (through their official recognition and description); the legal work card (a legal condition required to access labor rights); and the state controlled unions (only formal workers could join trade unions and just the official unions were authorized to exist). It sets up a connection between citizenship (regulated), occupation (recognized by law) and formalization (through a labor contract). Under such parameters, the institutionalization of capitalist labor relations in the country has followed a different path, as compared to the standard adopted in developed countries<sup>5</sup>. Although the dynamic center of the Brazilian economy was clearly moving from an agro-export base to an urban-industrial profile, the weight of the employed population in

3. For a broad overview, in English, on the development of employment and social protection policies in Brazil, see, for example: Draibe, Castro and Azeredo (1995) and Dedecca (2014).

4. Through the “Work and Social Security Card” (CTPS), the employers record the worker’s employment history, qualifications and social security entitlements (Baltar et al., 2010).

5. Silva (2015, p. 707) comments: “any discussion about the development of citizenship in Brazil has to take into account its specificity, but without ignoring the universalizing character of modern citizenship”. In regard to T. H. Marshall’s well-known theory, he shares the idea that, differing from the case of Great Britain, the emergence of citizenship rights in Brazil followed another historical sequence: “the first set of rights to materialize were social rights, while civil rights were the last” (Silva, 2015, p. 711).



the “modern” sector was still very limited<sup>6</sup>. Brazilian society became basically segmented between “citizens” (those with officially recognized occupations) and “pre-citizens” (those whose occupations were not officially recognized).

The second boost to industrialization, which occurred in the 1950’s, after the “import substitution” phase, was based on three pillars: national private capital, state capital, and multinational capital, with dominance of the latter. A growing social gap resulted between a dynamic pole, integrated into the world economy and endowed with some social protection mechanisms, and the rest of the economy, involving a heterogeneous range of production and work models. This latter was kept in a dependent relationship from the dynamic pole, and in precarious social conditions. In the 1970s, Brazil already had a prominent and complex industrial park. According to Lipietz (1987), Brazil along with South Korea, Mexico and Poland became the most important examples of Newly Industrializing Countries (NICs), which had structured their economies from the combination of “primitive Taylorization” and “peripheral Fordism”.<sup>7</sup>

As Oliveira (1998) concluded, a combination of national developmentalism and populist politics, from the 1930s onward, was

responsible for structuring a precarious social state in the country. Although without reaching the status of a welfare state, the regime stepped further from treating the social question as “police cases”, as it did in the Old Republic (República Velha)<sup>8</sup>.

Brazil and Latin America, between the late 1970s and early 1980s, lived a restless political and intellectual environment. Thus the analyses on the social connections between productive, institutional and work patterns deemed, on one pole, “dynamic” (“modern”/ “developed”) and, on the other pole, “backward” (“underdeveloped”/ “peripheral”) experienced a major shift. In addition to the focus on their socio-economic or socio-cultural aspects, they gained political prominence (not only among policy makers and researchers, but also among civil society actors generally). At that time, in Brazil and in the region as a whole, prevailed a context of increasing social and political criticism against the dictatorial regimes.

### **Democratic transition and the promise of a wider citizenship**

The rise of a working class concentrated in large companies — especially automotive multinational corporations, located in the ABC industrial region surrounding São Paulo<sup>9</sup> –, triggered a debate about whether this would configure an “aristocracy of labor”, based on a

6. Dedecca (2005) estimated that 75% of the population was still engaged in agricultural activities.

7. For Lipietz and Leborgne (1996, p. 4), “primitive Taylorization” results from a combination between Taylorist principles and a relatively scarce mechanization, when a ‘bloodthirsty’ strategy prevails in labor relations, in the sense of Marx. As to the “peripheral Fordism”, the authors explain that “like Fordism it is based on the combination of intensive accumulation and the growth of final markets”, however, it “remains peripheral” because “the outlets follow a particular combination of local consumption by the middle classes, a growing consumption of durable goods by the workers and low priced exports to the core capitalisms”.

8. The so-called “República Velha” corresponded to the first period of the Brazilian Republic (from 1889 to 1930). The “labor question”, then emerging with the industrialization push, changed from the exclusive purview of repressive agencies (“police”) to a policy that combines selectivity, protection and repression, making possible the existence of an embryo of social state. Brazil lived a democratic interregnum period between 1945 and 1964, at the end of which it suffered military coup d’état.

9. The core of the Brazilian automotive industry. The ABC comprises seven cities of São Paulo State: Diadema, Mauá, Ribeirão Pires, Rio Grande da Serra, Santo André, São Bernardo do Campo and São Caetano do Sul.



sort of business unionism<sup>10</sup>. Rodrigues (1970) and Almeida (1975) supported this thesis. Humphrey (1982) has been one of the first who disagreed, recognizing in this segment a vigorous political potential. The strikes that erupted in the late 1970s in that region reinforced such an assessment. The impact of those struggles on Brazilian society changed the terms of the political debate. Moisés (1982), supporting Weffort's (1970) criticism of the "populist unionism" that existed before the 1964 military coup, noted that the new movements succeeded in articulating social and political autonomous demands, in contrast with the previous experience<sup>11</sup>.

The creation of organizations such as the Workers' Party (PT), the United Confederation of Workers (CUT), the Landless Rural Workers' Movement (MST), among other social movements laid the bases for the so-called "democratic and popular political coalition", which gathered workers from steel and petroleum industries, banking, urban services, education, telecommunications, civil construction, trade, transport, public services, as well as landless workers, small farmers, unemployed people, under a common and independent political perspective.

Under the impact of the strikes and popular protests that erupted in the late 1970s, a new generation of social researchers arises, which recognize in the emerging unions and popular segments an enormous political potential. Many among these researchers took the opportunity to criticize the *deterministic*

approaches. According to Sader (1988), at the time, there were three major "agencies" engaged in organizing resistance practices in the daily life of the working people and the corresponding new discourses. Each one, in its own way, was seeking to rebuild its relationship with the popular segments: the Basic Ecclesial Communities and Liberation Theology came from the Catholic Church; new political practices emerged from traditional left organizations; a "new unionism" originated from the breaches of the official union structure partially controlled by the state. A new political practice and narrative resulted from the intersection of these new experiences.

The 1988 Federal Constitution comprised an unprecedented social and political advance and became a turning point in the Brazilian democratic trajectory<sup>12</sup>. The new Constitution represented, at the same time, a breakthrough in social and political achievements and the demarcation of their boundaries<sup>13</sup>. On the other hand, it established the new institutional conditions and rules of social and political struggles aiming to expand the citizenship rights.

The year of enactment of the new Constitution coincided with the third national congress of CUT, which then represented one of the

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10. According to Sabóia (1986), based on official statistics, in 1979, the employed population was also categorized according to the following labor conditions: "Employees with a formal contract", 37.3%; "Employees without a formal contract", 25.0%; "Self-employed", 21.8%; "Unpaid workers", 12.1%; and "Employers", 3.8%.

11. For a critical approach to Weffort's interpretation about the phenomenon of populism in the Brazilian trade unionism, see for instance French (1992).

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12. An English version of Brazil's 1988 Constitution with amendments through 2014 can be found at: [https://www.constituteproject.org/constitution/Brazil\\_2014.pdf](https://www.constituteproject.org/constitution/Brazil_2014.pdf). For a discussion of the arduous construction of social rights in Brazil focusing on the 1988 Constitution and its enforcement in the early 1990s, see Paoli and Telles (1994).

13. The most important social achievement brought about by the 1988 Constitution was the creation of the Unified Health System (SUS), a universal public health system that, together with the Social Security and the Social Assistance, came to compose the basis of the Brazilian welfare system. Paradoxically, since the early 1990s private healthcare has been consolidating in the country, both through providing services to SUS and expanding private health insurance.



most combative sectors of Brazilian unionism. Since its founding congress in 1983<sup>14</sup>, CUT is defined as a classist union confederation, focused on the struggle for attaining worker's immediate and historical goals, which envisions a society without exploited and exploiters. CUT acted politically on the "democratic transition" process leading national strikes by professional categories, national protests and general strikes, and other forms of struggle. However, CUT carried out an important turning point in its project, moving from a more flexible organizational arrangement and from a more strongly socialist stance to a strategic focus on the idea of collective bargaining. It was clearly inspired by the European experience, where the labor movement played a central role in the creation of the Welfare State system. Moving from the condition of a "movement" to that of a "trade union confederation", it assumed a more institutional profile, focussing mainly on wage workers and union members. Thus, even though still keeping an important role on the national political scenario, the CUT's possibilities to become established as a central reference also for those workers placed beyond the more structured economic sectors was reduced.

The 1989 presidential election, the first after the 1964 coup, was marked by fierce competition between the candidates Lula and Fernando Collor. This context symbolized, on the one hand, the growing and unprecedented political projection of the working class (expressed in Lula's candidacy) and, on the other, the reaction of conservative forces now aligned around a neoliberal project (expressed

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14. In the same year, also the National Command of the Working Class (CONCLAT) was created, bringing together the traditional communist groups known as Trade Union Unity and conservative union leaderships called "yellows", which was renamed for Workers' General Center (CGT), in 1986.

in Collor's candidacy). Collor's victory decided the fate of the country. With regard to the social rights achieved during the 1980s and expressed in the 1988 Constitution, to make them effective in the 1990s became a huge challenge for the labor movement.

## Neoliberal era and the denial of social rights

The neoliberal wave arrived in Brazil in the early 1990s with the Collor Government. Brazil's integration within the globalized system was accelerated, and the restructuring of production was intensified, which put the economy in line with the new capitalist dynamics of flexible accumulation<sup>15</sup>.

In terms of the implications of such shifts for workers, one of the most important was the extensive use of outsourcing by companies<sup>16</sup>. Thus, the defense of labor relation "deregulation" gained strength, amassing government and business support.

During Cardoso's two terms (1995-1998 and 1999-2002), the deregulation of the

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15. In Harvey's (1989) sense. Baltar et al. (2010, p 17) warn, however, about the idiosyncratic nature of "flexibility" of labor relations in Brazil: "In comparison with the main developed countries, flexibilization was late in coming, but it put in a strong appearance in the 1990s, in the context of an economic crisis, trade and financial liberalization with exchange rate appreciation and redefinition of the state's role in the economy. It is idiosyncratic because the specificities of capitalism in Brazil are such that the country has always had a flexible labour market, especially after the military dictatorship, allowing the employer to adjust the quantity and price of labour to different economic scenarios".

16. According to Ramalho (1999), while among minority sectors, union reaction has forced companies to a certain level of concessions, in the majority ones, the trend was the weakening of union's power due to job insecurity. The extensive use of outsourcing was a strong mark in that context. For Druck and Borges (2002), outsourcing was the main work management strategy in productive restructuring, resulting in a significant change in the worker's profiles and the diversification of work forms.



labor market was intensified, favored by high unemployment rates and the weakening of unions. Cardoso's government promoted gradual advances in labor market deregulation. The main measures were: exempting cooperatives from paying social security charges, facilitating fraud in the enforcement of the labor law; wage deindexation; restriction on the Ministry of Labor and Employment's supervision power; restriction on the right to strike for civil servants; dissociation of profit sharing from salaries payment; promotion of temporary work, part-time work, bank of hours with adjustments to annual work time, suspension of contracts for periods of up to 5 months, among others. Furthermore, the government adopted an uncompromising stance in dealing with union and popular demands. Thus, the privatization program advanced, despite union resistance<sup>17</sup>, reaching the strategic sectors for both the economy and unions (steel, telecommunications, banking, energy, etc.). Together, these measures had disastrous effects on workers: the unemployment rose dramatically; the historical trend towards formalization of labor relations suffered a turning point; the average levels of remuneration fell; employees and self-employed workers became more vulnerable<sup>18</sup>.

In the 1990s the growth of "informality" was accompanied by a change in its connection to the "formal" economy, since it increasingly became a component of the most dynamic economic sectors, especially through

complex processes of subcontracting and outsourcing. A major impact of the growing "informalization", as a way to ascribe even greater flexibility to labor relations in the country, was the disorganization of the labor market and the erosion of the union base.

Even while keeping the most active unionism, CUT was put into a defensive position, in contrast with its performance in the 1980's. While the average unionization rates continued to be stable, the unemployment effects on collective bargaining were strong enough to weaken its position. Baltar and Krein (2013, p. 282) observed that such a decrease in the union's bargaining power was connected with a trend of decentralization of collective bargaining. In such cases, the unions gave priority to the preservation of jobs, rather than focusing on improving the working conditions. Regarding the economically more strategic professional branches, which constitute CUT's main base, the impacts were scathing<sup>19</sup>.

In this context, trade union strategies placed a greater importance on: the defense of jobs, social rights and democracy, against neoliberal policies; the diversification of the trade union agenda (inclusion of gender, ethnicity/race issues, vocational training, environmental issues, occupational health, etc.); greater institutional participation; and initiatives dubbed "solidarity economy", which involved diverse forms of organization, including cooperatives. Throughout that process, the trade unions associated with CUT underwent major changes, with the idea of *citizenship* becoming more central

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17. Whereas CUT led the resistance against the privatization program, Força Sindical (Union Power) - at the time, Brazil's second most important confederation - supported it. Founded in 1991, Força Sindical brought together unionists mostly identified with the liberal and pragmatic perspective (Cardoso, 1992).

18. For an overview assessment of the neoliberal policies and flexibilization measures and their effects on the labor market in Brazil, in the 1990s, see Pochmann (2009).

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19. In spite of this, CUT kept a positive performance in terms of the amount of affiliated unions and formally represented workers. Between 1994 and 1997, the affiliated unions rose from 2,009 to 2,570 (an increase of 27.92%).





to their activities. It was then that the term “citizen unionism” (*sindicato cidadão*) arose<sup>20</sup>.

However, attention should be paid to the fact that the “informal” workers, in their diversity, have not become collectively organized workers, except for some rare cases. On the contrary, those who were organized in trade unions, once expelled from the labor market or converted into outsourced workers, found it much more difficult to either stay linked to traditional organizations or to create new ones. On the other hand, the unions associated with CUT, in spite of trying new strategies (a set of initiatives that received the ambiguous denomination of “citizen CUT”), failed to include in the agenda the goal of organizing informal workers. CUT and its unions reached the 1990s facing great difficulties in carrying out their project of building a unified representation of Brazilian workers, since, to the historical challenges of overcoming deficiencies of the trade union structure, now new challenges were added, brought about by this process of disorganization of the labor market.

In 2001, aiming to advance a comprehensive reform of labor legislation, the government proposed a bill that would replace the legislative rule with bargaining as the prevalent norm in labor relations. The bill was passed by the House of Representatives and was to be voted on in the Senate in 2002. Pressures exerted by Unions nevertheless led to the postponement of the vote by the Senate and, at the beginning of Lula’s first term, the bill was removed from the legislative agenda.

In sum, in the context of the 1990’s, labor flexibilization advanced resulting from

the convergence of, at least, the following mutually reinforcing factors:

- a) Large companies felt encouraged and / or pressured to carry out a restructuring of production mainly based on outsourcing. Furthermore, they sought to act together with the government and the mass media, aiming to legitimize their demands.
- b) Governments acted in favor of labor market flexibility and less stable conditions (with important support from both other institutional powers and the mass media), through: incentives for a certain pattern of restructuring; reforms in labor laws aiming at the deregulation of the labor market; an agenda of privatization and state reform, to the detriment of public services and public servants; an anti-union stance and a criminalizing lean against social movements; and macroeconomic policies divorced from employment targets.
- c) The deterioration of the working conditions in general, as a consequence of all the above conditions, produced an extremely unfavorable environment for workers and for trade union action.
- d) Trade unions’ strategies remained mostly defensive, in an attitude of resistance. The hard 1990s markedly hit the CUT and its project of fully representing the Brazilian working class. An adverse economic scenario, hostile governments, anti-union corporate practices leaning towards employment flexibility, and an unfavorable political environment all had to be dealt with, in addition to the historical problems of trade unionism in Brazil. Although unionism remained the main arena and channel for workers’ demands, through both collective bargaining and broader political action, unions generally

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20. See, for instance, Veras de Oliveira (2011).



underperformed by comparison with the previous period. The expanding gap between more stable workers (shrinking) and those under more precarious contracts (increasing) made it harder for unions linked to CUT to carry out the goal of “representing the whole working class”.

### **Lula/Dilma era: neodevelopmentalism and new social question**

Lula’s election raised high expectations<sup>21</sup>. A program focused on the defense of the *social demands, production, development* and the rescue of the national project signaled a counterpoint to neoliberalism. However, the government (as based on a broad coalition) was always under pressure from conflicting interests, emphasizing alternately: social demands by workers and poor people, derived from the unequal character of the Brazilian society; business owners’ demands for the defense of production in the face of the financialization of the economy; the demands of the financial market, seeking to submit the country to its logic; pressures from the so-called “physiological” political groups<sup>22</sup> (a broad set of politicians eager to exchange political support for benefits, which is a historical source of corruption).

#### ***Contradictory paths in resuming economic growth with social gains***

The PT’s governments did not substantially alter the macroeconomic policies from previous governments, like the inflation targeting regimes, floating exchange rate and the generation of primary surpluses as a priority,

in order to pay the interests on public debt. However, governmental measures were taken (often in opposition to such precepts) which contributed to strengthen the state’s role in the economy and society, through fostering economic development (from the recovery of infrastructure investment, revitalization of state-owned enterprises, increase of earnings at the bottom income layer, and others), and focusing on a better income distribution (Baltar *et al.*, 2010).

In addition, the country adopted a different international positioning, seeking more geopolitical independence and commercial diversification, accrediting itself as a global major player, able to influence the institutional reorganization and creation of new spaces for regional and global coordination. Thus, during Lula/Dilma’s era Brazil took on a central role within arrangements like G20, BRICS, India-Brazil-South Africa (IBSA), Southern Common Market (MERCOSUR), and Union of South American Nations (UNASUR)<sup>23</sup>. In 2009, Brazil reversed its status in the IMF, going from debtor to creditor. It also was very successful when it used a set of anti-cyclical macroeconomic policies to face the impacts of the 2008 global crisis: “This assessment was translated in political gain, as evidenced by the repeated invitations by the G7/G8 of the Brazilian government to participate as a ‘guest’ in the final segment of their annual summit meetings” (Stuenkel, 2013, p. 462).

So, despite limitations and contradictions, the PT’s governments were able to carry out a development program, especially during Lula’s second term (2007-2010) and Rouseff’s

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21. See, for instance, French and Fortes (2005).

22. This defines how politicians without any political convictions are known in Brazil, also described as “clientelistic”.

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23. For a comprehensive overview on the BRICS and other international organizations, from a South perspective, see Pimentel (2013). According to Stuenkel (2013, p. 370), the Brazilian, Russian and Indian governments played a decisive role in the onset of BRICS, especially the first two ones.



first term (2011-2014). The major evidence of the new discourse of development in the Federal Government was the so-called Growth Acceleration Plan (PAC), launched in 2007. Lula's administration began to adopt the key developmental idea of the state as the inducer of economic growth, while putting an emphasis on the generation of employment and income. The main investments were concentrated in the sectors of electric power, transportation, housing, sanitation, and water, in addition to public policies with social impacts (such as the housing programs for low income families). The share of total investment in GDP rose from 16.4%, in 2006, to 18.4%, in 2010 (Brasil, 2010). In 2010, the PAC 2 was launched, redefining, but predominantly reinforcing, the structural axes of the first edition (Brasil, 2012). Furthermore, the Chinese economy was characterized by a huge global demand for primary commodities, which favored Brazilian exportation enormously. As a result of these policies, the Brazilian economy regrew.

The resumption of economic growth immediately had a positive impact on the labor market and the general working conditions in the country, as it was highlighted by Baltar *et al.* (2010, p. 08):

In this period characterized by an increase in the average rate of growth of the Brazilian economy, the labour market showed significant changes which, all in all, have led to significant improvements: a decrease in average unemployment rates, an increase in formal waged jobs (covered by Brazilian labour laws and the social security system), employment growth in the most organized sectors of the economy (including large companies and the public sector), a reduction in the proportion of unprotected waged jobs and self-employment on the labour market, a substantive increase in the real value of the

minimum wage, the recovery of the real value of wages negotiated in collective bargaining agreements and conventions, a large decrease in unpaid work, the intensification of the fight against forced labour and a substantial reduction in child labour.

The positive consequences of economic growth on the employment and income distribution were boosted by other government measures. Since 2003, the terms of the Labor Reform were refocused by the government. Immediately, it asked the National Congress to suspend the Bill 5483, which aimed to amend Art. 618 of the Labor Code (CLT). It had already been approved by the House of Representatives during Cardoso's second term, missing only the Senate position. Following the suspension, it was established the National Labor Forum, involving representatives of workers, employers and the government, in order to become a tripartite space of social dialogue. Diverse mechanisms of increasing the workers' and the poor population's income were also implemented (including the raise of the minimum wage, the expansion of consumers' credit, and cash transfers to the poor – through *Bolsa Família*<sup>24</sup>), which contributed to boost a domestic consumption boom. At the same time, there was a repositioning by the State in the sphere of law enforcement focused on regulating the most vulnerable economic activities (aiming mainly at fighting against child labor, slave labor and unregistered work).

The new government also adopted measures in order to politically and institutionally tackle the issue of informality. Through

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24. About "Bolsa Família" (Family Grant Programme or PBF), implemented during the 1990s, "the most important impact came from the expansion of coverage, which now extends to more than 11 million families." (Baltar et al., 2010, p. 28).



a Complementary Law, it was instituted the *Super Simples*, an oversimplified and differentiated tax treatment agreed between all government levels, targeting micro and small enterprises, which established a single tax collection system. In 2009, it was launched the “Individual Micro-Entrepreneur” project (MEI), which aimed to convert the “informal worker” into a legalized “individual entrepreneur”, encouraging them to register with the National Registry of Legal Entities (CNPJ), in order to facilitate the opening of a bank account, the access to loans and the issuance of invoices. Through this register, the worker, or “individual entrepreneur” becomes qualified for the *Super Simples* and exempt from federal taxes (income tax, industrial and trade taxes, social contribution, and others), being required to pay only a monthly fixed amount of R\$ 52.15 (in case of the commercial or industrial sector) or R\$ 56.15 (in case of the service sector). The rate is updated annually in accordance with the minimum wage and provides access to benefits such as maternity aid, sick aid, retirement pensions etc.<sup>25</sup> Cardoso (2016) considers that Brazil has adopted a relevant set of measures, which encourages small businesses, aims to reduce the cost of formalization, and generates incentives for permanence in formality. Their success, however, resulted in a controversy:

Indeed, in 2012, there were 7 million people enrolled in the *Simples Nacional*, a number that climbed to 9,2 million in September 2014, according to data provided by the Federal Income System. Of the latter, approximately 6,2 million (or two-thirds) were MEI, of which 4,5 million entered the system directly through an internet gateway created (the Portal do Empreendedor),

meaning that they had not been entrepreneurs before, and another 1,7 million enrolled as MEI after leaving another entrepreneurial classification. It is undeniable that the new legislation attracted new entrepreneurs and reconfigured the status of those previously enrolled in the *Simples*, although it is still not clear what the true impact on informality has been (Cardoso, 2016, p. 333).

According Cardoso, (2016, p. 336),

*Informality remains the main form of achieving the means of living of almost 40% of the population. Even though millions have been removed from this condition, there are still millions of others that will fail to be reached by any specific policy, simply because their entire sociability was formed in the realm of informality. Housing, access to electricity and other urban infrastructure, social relations, and the relationship with the State – everything is informal.*

By examining such measures focusing on their effects on labor regulation, Krein, Santos and Nunes (2012) also deem the institution of *Super Simple* controversial, because, by simplifying legal requirements regarding labor routines for a new category of enterprises, they introduce hindrances to the detection of violations of the labor law and, thus, create a new, less protected, category of workers. On the other hand, the authors identified some measures of PT’s governments which they considered as favoring the flexibilization of labor relations: 1) the Constitutional Amendment 41/2003 that introduced profound changes in the social security pension system, affecting the rights of both active and retired employees, by ruling out the completeness and parity for pensions and establishing the pension ceiling; 2) the New Bankruptcy Law and Judiciary Recovery

26. See website: <http://www.portaldoempreendedor.gov.br/modulos/inicio/index.htm>.



(2005), which established that, when a firm at risk of bankruptcy is under judicial tutelage (corporate recovery), its employees fail to receive their labor rights for one year, and the firm begins to discuss debt restructuring with other creditors; furthermore, in the case of bankruptcy, the acquiring company is neither obliged to remain with its employees nor to pay the labor debt; 3) the Law 11,603 (2007) that sanctioned the work on Sundays and holidays for trade workers, since it is ratified by collective bargaining agreements.

Thus, it becomes evident that even governments identified with workers' demands, in a context of economic growth and increase in formal employment have adopted several measures that fostered labor flexibilization. On the other hand, Lula's government took also decisive initiatives that counteracted the flexibility trend, by strengthening the protection of labor rights and of public regulation of labor. In this sense, governmental vetoes were crucial, especially regarding the bill under debate in Congress (sponsored by the previous government), which provided for the prevalence of "the negotiated" over "the legislated".

Despite limitations, the PT's governments led to unprecedented improvements in the living conditions of the poor and the working population and in the country's income distribution significantly supported by the revaluation of the minimum wage<sup>26</sup>. The upturn in social and economic conditions may be credited to both the new

26. According to Baltar *et al.* (2010, p. 25), especially from 2005, "the government established a policy of annual adjustment that takes account of past inflation and adds up the average GDP growth of the two previous years, so ensuring that the minimum wage is increased as the economy keeps growing".

economic dynamics and the new political conditions that allowed for a new stage in salary levels and union negotiations and demands. In sum, social indicators improved significantly: the unemployment rate fell; the degree of formality increased; the average income among workers and poor grew; and poverty rates experienced a historic decline<sup>27</sup>. Therefore, the general trend towards labor precarization and informalization, prevalent in the 1990s, has been inverted<sup>28</sup>.

As Baltar *et al.* (2010, p. 17) suggest it is worth emphasizing that "the explanation for the recovery of formal employment and wages over the decade must also include the importance of the legal framework, government policies and the trade union movement". However, particularly within the CUT, an ambivalent strategy prevailed, which reinforced a situation already present in the 1990's. Although remaining nationally present and influential, CUT has lost its political leadership on the national stage (Araújo and V́eras de Oliveira, 2011).

On the other hand, the government negotiated with the union confederations about conferring official recognition upon them, including the right to receive federal grants. This measure brought about, as a collateral consequence, the fragmentation of the organizational structure of the Brazilian union movement<sup>29</sup>. Despite this, some

27. Some analysts (like Neri, 2015) suggest that one could even refer to the emergence of a "new middle class" in Brazil, while others consider that it would be more appropriate to refer to a "new working class". For an international approach, including on Brazil, see MacLennan and Magellan (2013).

28. For Baltar *et al.*, (2010, p. 13), "the proportion of formal employment in the whole economically active population aged 15 and above (a universe that also includes the unemployed) increased from 36.1% in 2004 to 40.9% in 2008".

29. Beyond the CUT and Union Power, which remain the two most important Brazilian union confederations, there are currently a dozen others in the country.



convergence within the trade union agenda during that period was maintained, especially in institutional negotiations and during the struggle for a minimum wage appreciation policy.

In the context of the PT's government, despite the economic and social advancements, there were no structural changes aimed at overcoming the predominantly precarious work and the high concentration of income and wealth.

a) The federal governments acted under limits and ambivalences in relation to labor issues and social protection. They avoided the agenda for labor reform demanded by businesses; adopted economic incentive policies aimed at reactivating the economy and creating jobs; developed social policies focusing on income transfers and on increasing the minimum wage; developed public spaces for social negotiation; and placed trade unionists in important governmental functions. The results of collective bargaining have improved, favoring unions' performance in terms of both collective bargaining and their broader political action. On the other hand, PT's administration adopted some measures advancing labor market flexibilization.

b) Although companies continued to implement labor outsourcing and flexibilization (pressing for a favorable regulation), they became more cautious in view of the changes in the political environment and the partial recovery of the bargaining power by unions and workers.

c) Unionism was benefited by the improvement of the overall framework of the labor market, as well as by its own influence on governmental measures. Thus, its effectiveness increased, even though without recovering the political role it had won in the 1980s. But, the PT's Government relationship

with unions and social movements started to erode, what became more visible when Rousseff replaced Lula.

d) The favorable economic climate coincided with social gains, improvements in the income distribution, a more independent and bold foreign policy and the recovery of the state's active role in promoting development with a prominent social component. All of these elements contributed to bring back the academic debate on development and developmentalism, at the same time as the specificities of the national development period were highlighted.

However, as emphasized above, the measures implemented by the PT's government aiming at the same time at economic growth and the improvement in income distribution and labor market indicators, despite their decisive gains, have not managed to achieve structural changes. Thus they were unable to substantially change the general conditions of the labor market, which carries the historical mark of heterogeneity, structural labor surplus, high income inequality, flexible employment, high turnover of the labor force as well as widespread violation of the law. Additionally, several kinds of problems and difficulties have been piling up, until the economic and political conditions that sustained the cycle began to show signs of exhaustion.

### ***The exhaustion of the developmental-distributive cycle of PT's governments***

Owing both to the popularity enjoyed by Lula and the PT and to their broad alliances and the good performance of the economy, these governments could count on valuable support. Conversely, however, certain social processes have been converging over the last years to



create a conservative wave<sup>30</sup>. Among them, a systematic media campaign against the PT's Governments, especially seeking to associate these administrations with the stigma of corruption; the huge growth of new evangelical charismatic churches and their political representatives; a growing repressive discourse from the media and the other social agents, as a response to increasing levels of violence; and dissemination of conservative and fascist attitudes among middle class groups.

The “mensalão” scandal (2005 and 2006), as it was named by the media (“monthly pay-offs”), was an important cause for Lula's Government losing partial support of his middle-class electorate. Since then, its main electoral base became centered in poor people who had improved their living conditions through new social programs. As to the unionized workers, they generally maintained their support, but with some defections.

In 2012, it was clear that the Brazilian economy would not maintain the same performance, mainly due to the decrease of the commodities' international prices and the exhaustion of government mechanisms to boost internal income and consumption. In June 2013, a wave of massive protests erupted. They likely resulted from a convergence of several factors, comprising: campaigns against rising bus fares (carried out by social movements led by young people such as students); increasing social demands for housing, transport, education, health and others; indictments for corruption connected to construction projects for the World Cup (systematically denounced by the mass media); and the emergence of right-wing groups (from middle class segments).

In mid-2014, the “Car Wash” operation (“Operação Lava Jato”) was installed by the Federal Police, focusing on signs of corruption involving Petrobras' management, politicians and some of the companies' contractors. The investigation has shown rife indications of corruption in the majority of and the largest parties, including Rousseff's allies and adversaries. But the PT, Rousseff's Government and allies began to complain about selective procedures which were in tune with the media, targeting their summary condemnation.

In this same year, a new presidential election was held. Despite Rousseff's victory (with a 3 percent lead over her opponent), the balance of power had changed. The electoral process finished with the country divided in half, marked by big demonstrations by both parts. Since then, the political framework became very unstable. In this context, huge and successive protests have emerged, under the banner against corruption and in defense of Rousseff's impeachment.

After being re-elected, with the deepening of the political and economic crisis, Rousseff broke with the previous arrangement, giving priority to fiscal adjustment and the control of the inflation by means of suspending the countercyclical policies, cutting down public investment, rising the interest rates and currency devaluation. Although the successful social policies have been maintained, such measures drastically affected the occupancy rate and wages, exacerbating the political crisis.

At the first months of Rousseff's second term, clear signs of a rupture with the preceding trend began to arise, referred to the changes brought about by the PT's Governments.

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30. See, for instance, Fortes (2016).



a) Rousseff's Government was clearly weakened, faced with growing conservative forces. Amid many contradictions and an intense pressure, the government lost the ability to influence the public agenda, as compared to the previous context. With the deepening of the crisis, its initial decisions were aimed mainly at obtaining the support of the market and of the political coalitions with the "physiological" factions, which moved the government's core program away from the workers' demands and its representative organizations, especially trade unions.

b) Business leaders, taking advantage of the favorable political environment, have increased pressure for their preferred rules regarding outsourcing and labor flexibilization. Given the situation of economic instability, they felt encouraged to accelerate the practical implementation of a process that even the previous context had not managed to stifle.

c) With the growing political and economic crisis and the fiscal adjustment measures implemented by the Government, the employment conditions began to show clear signs of deterioration, which should severely affect workers' gains and the conditions of trade union action.

d) Under such conditions, the unions became overloaded, being under strong pressure to reverse severe economic and political losses. In contrast with the previous context, they no longer could count on either government measures favoring the employed workers' incomes, or a favorable economic framework for employment and union bargaining, or even on a certain caution by the business sector. If they became unable to lead an agenda of workers' demands, both workers and unions could be at risk of suffering serious damage in view of the growth of the conservative wave. But leading such an agenda

would require confronting both the historical and current problems reflected in their own organizational and political condition. In particular, it would require trade unions to push hard for a broader representation of the working class, struggling to overcome the legacy of historical segmentation.

### **The impeachment process and the "promises" of the new government: risks of a setback**

Mass protests against corruption, advocating Rousseff's impeachment continued. These were mostly attended by members of the white middle-class and were supported by assumed right-wing groups (with young middle-class activists – some of whom proposed the return of a military regime), as well as by the media. The counterpart were recurring demonstrations in defense of democracy and social rights, and against Rousseff's impeachment, organized by unions and social movements.

Who have become the main players in this scenario? Who were the main actors in the impeachment episode? Among the most important ones, we can highlight:

The mass media owners have had great influence over the public opinion, acting in defense of their economic interest (as large companies) and under a clearly conservative perspective.

Extreme right-wing groups have been mainly acting via social networks and protests feeding fascist attitudes. They have been allied with representatives in local, state and federal parliaments.

Politicians who are guided by a mix of *clientelistic* practices and corporate interests





(many of them had just stopped supporting the Government) became dominant in the Nacional Congress and gave decisive support to the impeachment project. Many of them are under indictment by the Department of Justice. Most of them, articulated around security forces, the agricultural sector and evangelical churches, are known as the BBB group – acronym in Portuguese for “Bullet, Bible and Ox” (“Bala, Bíblia e Boi”).

Several Justice Department practitioners, from the lower instances to the higher courts, have been integrating the current conservative wave. Either through omission or through partisanship, they have been adding a legal varnish to excessive procedures, before, during and after the impeachment process.

The Brazilian Social Democracy Party (PSDB) has been one of the most important political forces since the early 1990s. With Cardoso, it led a partisan coalition that governed the country from 1995 to 2002. With the setup of the impeachment process, it has passed to a secondary plan, whereas the former Vice-president (current President), the Brazilian Democratic Movement Party (PMDB), and the Congress’ most conservative and *clientelistic* became the new main political forces.

The relationship between the PT’s Government, unions, and social movements has eroded, especially since the beginning of Rousseff’s second term. But with the progress of the impeachment process these connections recovered, with increasing mobilizations in defense of democracy and against Rousseff’s impeachment. However, maybe this set of political forces will have to deal, for a period, with an unfavorable and hostile scenario.

Also in the left-wing field, there are some unions, social movements and partisan

groupings that are in minority proportion, which had been adopting a critical position on the PT’s governments, but which, with the advancement of the impeachment process, took on the fight against the impeachment and in defense of democracy, although keeping their political and ideological differences.

Under such conditions, with the indictment for the “crime of fiscal responsibility” (budgetary mismanagement) in view of administrative measures (called by the media “tax pedalling”), the impeachment process was voted on and passed in the House of Representatives on 17 April 2016 (367-137 votes). The Senate, approved the opening of proceedings, on 11 May (55-22 votes), suspending the president for up to 180 days, while the said process awaited judgement on merit by the Senate itself.

Since then, the vice president took over on an interim basis, made a ministerial reform and changed the government’s orientation radically for a neoliberal, conservative and authoritarian perspective. An intense dispute over the narrative of events started since then: coup d’état or constitutional process? The hurry, truculence, and the first scandals (successively revealing, through media coverage, conspiracy scenes that led to the impeachment process, favoring the coup thesis) were blatant in the interim government period, causing worldwide repercussions. On August 31, 61 senators voted in favor of Rousseff’s impeachment while 20 voted against it.

The new government is based on a coalition of politicians with a neoliberal, conservative and “physiological” profile. Most of them are affiliated to the PMDB, PSDB, Social Democratic Party (PSD), Progressive Party (PP), Democrats (DEM) and more than



a dozen smaller parties. In the parliament, which gained importance in the new political context, the coalition core is comprised by the BBB group. It was symptomatic that neither women nor black people have been included in the new ministry, which has many of its members facing legal prosecutions.

Several measures, in the various areas of government, began to be announced and or quickly implemented, which have a decisive impact, especially on the workers' lives. Among them, we can highlight three priorities: the deepening of the fiscal adjustment, through spending cuts (focusing on social and public ones) and tax increases, in order to prioritize the public debt service; downsizing of the state and advancing toward a radical agenda of privatization; meeting private demands from the segments that constitute the new government's coalition (in a flagrant contradiction to the discourse of fiscal austerity).

As to the issue of privatization, Petrobras (state oil company) became a priority target as well as the newly discovered huge oil reserves, located at sea below a salt layer about 2,000 meters deep, the so-called "Pre-Salt" reservoirs. By 2010, the oil and gas exploration in the country was driven by a "concession regime" (in which the extracted product is owned by the concessionaire company, which pays State rates). Since the findings of the Pre-salt, the Government was authorized by Congress to deploy a "sharing regime" to the new discovered reservoirs (in which the state is the owner of the extracted oil, while the contracted company receives a share of the produced output). The interim government (with strong support from the media) immediately assumed the defense of the "concession regime" also for the Pre-salt reservoirs. Contrary to the then government's position, the Senate approved in February 2016 the end of Petrobras' compulsory

participation in the oil extraction on the Pre-salt. In October, the House of Representatives endorsed the Senate's decision.

In the social area, among the priority targets of the new government are the social rights enshrined in the 1988 Constitution, the labor rights under the Consolidation of Labor Laws (CLT) and the social programs carried out by the PT's Governments. One of the strongest measures in terms of its negative social effects refers to a Constitutional Amendment. This bill establishes a ceiling for the annual adjustment of the public expenditure, for twenty years, by tying it to the inflation rates. It will, affect particularly health and education and other social policies. If the ceiling is not fulfilled, even the increase of the real minimum wage can be prohibited. In November 2016, the bill definitely was passed in the Senate. In addition to this, a new reform in social security begun to be discussed in the House of Representatives, which aims to limit the pension's indexation and the minimum age to access the benefits.

At another front, the new government has clearly pointed to the end of the minimum wage appreciation policy. As to the *Bolsa Família* program, with 14 million beneficiary families, covering 97% of those considered below the poverty line, a study of the Perseu Abramo Foundation ("The impacts of Temer's Plan on social policies") estimates that coverage will drop to about 24%. It will be a drastic reduction!

On the labor legislation, the catchphrase is "flexibilization". The main changes are in progress through bills proposed by congressmen and supported by the government. Among other goals, they aim at: the liberalization of outsourcing across the economy, which likely will undermine the protective effects of CLT; the prevalence



of collective bargaining (conventions or agreements) over legislation; reducing the age for starting labor activity from 16 to 14; direct negotiations between workers and employers, without the intermediation of trade unions; the reduction in working hours with wage cuts; changes in the definition of “slave labor”, excluding from this category the terms “exhausting journey” and “degrading work”; a pension reform, which was submitted last year to Congress, sets the minimum retirement age at 65 for both men and women and requires 49 years on the job for workers to gain full pension benefits.

Moreover, the new government’s agenda brings the reduction of the penal age, the increase of juvenile detention terms in the childcare system, the reversion of laws that permit abortion on certain conditions, gun control and citizenship rights of lesbian, gay, bisexual and transgender persons (LGBT).

If the new government is able to hold on power through 2018, when the next presidential election is scheduled, and if, during this period, it is able to implement the agenda that it has been announcing, this will represent a political backward step likely to result in the broadest social regression ever to have taken place in the country’s history. So, only a broad popular reaction can prevent such a situation. The game is not over yet.

### **Challenges of the social question in the current scenario**

The tortuous process of building institutional and political guarantees for the effective exercise of citizenship rights in Brazil presents, so far, the following as its most important historical moments (despite the limits and contradictions related to each of them): the consolidation of labor and social security

rights by CLT and the social security system, between 1930 and mid-1960; the inclusion of both existing social rights and newly built ones in the 1988 Constitution; and the set of social policies and measures aiming at the improvement of labor income under the PT’s rules, between 2003 and 2016. Throughout the Brazilian history, the social question was almost always kept under narrow conditions. During the Old Republic, it was treated as a “police case”; in the Vargas era, it was shaped as a “regulated citizenship”; in the military dictatorship, the claims in this area were considered “subversive actions”. The emergence of the trade union mobilization and political action by the popular classes in the 1980s brought about the “Citizen Constitution”, with its unprecedented social and political achievements; in the 1990s, emerged what some critical analysts termed “dismantling” (*desmanche*)<sup>31</sup> of citizenship and democracy, while others called “re-philanthropization” (*refilantropização*)<sup>32</sup> of poverty; the Lula / Dilma era arrived, bringing with it important advances in combating poverty and inequality. Now, the country is about to undergo a social and political backward step of a still unpredictable proportion – tribulations of a new onslaught from the ideology of a self-regulated market and the (updated) culture of dependence.

For reestablishing a new virtuous cycle, the challenges seem enormous, especially if we associate its success to a new political role to be played by the working class. In this regard, it is important to consider, on the one hand, the social and political deconstruction of the old working class and, on the other hand, the social and political reconstruction of the new working class. These two movements can be

31. See Oliveira e Rizek (2007)

32. See Telles (2001).



expressed, respectively, in two social processes underway: the advancement of outsourcing and the challenge of organizing informal and precarious workers.

### The outsourcing issue: a key labor and trade union challenge

A decisive moment regarding the future of labor relations in Brazil relates to the consequences of the new regulation of labor outsourcing, which is pending in Parliament.

According to Faria (1994), outsourcing has gained momentum in Brazil from the early 1990s onward, aiming mainly at lower labor costs. A study by DIEESE (2014) estimates that “outsourced workers make up 26.8% of the formal labor market, totaling 12.7 million employed persons”. On average, they receive a salary 24.7% lower than that of directly hired workers; are submitted to working hours 7.5% longer<sup>33</sup>; and show a job turnover 53.5% higher. The study argues that the outsourcing most perverse faces are: labor law violations; greater health hazards; lower wages and benefits; more discrimination and prejudice; more difficulty for union action; and damages to public services.

To date, Brazil does not have specific legislation regulating outsourcing. For almost 40 years, that topic has been a subject of dispute among the Executive, Legislative, and Judicial branches, with advances and retreats. Currently, the main existing regulatory instrument is a case-law of 1993, by the Superior Labor Court (TST), known as *Sumula 331*, allowing outsourcing in “supporting activities”. Despite the legitimation of such practices implied by the decision, this case-law is the only legal

protection for workers against advancing outsourcing<sup>34</sup>.

The CUT’s action strategy remained oriented, between 1990 and 2003, to contestation of outsourcing. With the advancement of that process, the unions started to tackle the issue also through collective bargaining. However, Krein and Teixeira (2014), by evaluating collective bargaining carried out between 1998 and 2013, concluded that regulatory gains on outsourcing were insignificant.

In April 2015, in a context of political crisis at the start of the Rousseff’s second term, the bill named *PL 4330/2004* was given a first round of approval in the House of Representatives, aiming to authorize the outsourcing in “core activities”. This action triggered a strong wave of protests in social networks and on the streets, with central participation of the trade unions<sup>35</sup>. Nevertheless, the project was approved and it was sent to the Senate’s assessment. In view of the political environment created by the process of impeachment, there were increasing corporate and political pressures toward the summary approval of the bill in the Senate.

On last March 23, House Speaker Rodrigo Maia made a questionable maneuver to pass the bill which had already been analyzed by the Senate, in 1998:

*“The Chamber of Deputies passed Wednesday a bill that authorizes labor outsourcing in all sectors, for any position. The bill also allows outsourcing in the public service, with exception of state careers, such as tax*

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33. Overtime pay is not included.

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34. Biavaschi and Droppa (2014); Gambier (2015).

35. Especially the CUT. It should be noted that the Union Power took a position in favor of the project approval.



*auditor and judge. The text was harshly criticized by the opposition for not offering safeguards to workers (...) Unlike the text that the Chamber approved two years ago, the bill doesn't prevent companies from turning formally hired employees, with labor rights ensured by the Consolidation of Labor Laws, into contractors." (<http://www.valor.com.br/international/news/4910394/lower-house-passes-job-outsourcing-bill?print=1?print=1>).*

President Michel Temer quickly signed the bill passed last March.

The current dispute around outsourcing regulation and all the social and labor governmental measures that are now in process will probably have an important influence on the outcome of the current political crisis and its implications for the world of work in the country, especially in the sense of a strong work informalization and precarization. Trade unionism has been challenged to have a central role in that dispute<sup>36</sup>.

### ***The challenge of organizing informal and precarious workers***

The issues of informal and precarious work has gained, as discussed above, increasing relevance when thinking about the possibilities of the “social question” in the contemporary global society. This applies particularly to societies like Brazil where, besides their historical importance, they have gained momentum and new meanings in the context of globalization and neoliberal policies. In Brazil, we are entering into a new context that promises a dramatic worsening in precarious and informal labor relations.

A renewed interest on the subject of informality, both in countries of the global North as in those of the South, has contributed to highlight a dimension hitherto scarcely considered by academics, policy makers and labor organizers: the challenge of organizing “informal workers”. This paves the way to consider informal workers, not only as a result of structural socioeconomic dynamics and beneficiaries of public policies, but also as players in the dynamics of social forces and agents of social change. A sign in this direction, with decisive influence on the global debate on this issue, has been the discussion on “decent work”, set in the scope of the 90th International Labour Conference of the ILO, held in 2002. The matters of organization and representation become relevant in the new perspective of “informal economy”: “Poor-quality, unproductive and unremunerative jobs that are not recognized or protected by law, the absence of rights at work, inadequate social protection, and the lack of representation and voice are most pronounced in the informal economy, especially at the bottom end among women and young workers” (ILO, 2002, p. 04).

Rosaldo, Tilly and Evans (2012, p. 01) bring about a central focus on organizing informal workers: “The project’s principal object of analysis is organizational forms and strategies used by informal workers to increase their political voice, economic leverage, and social standing”. The authors admit that the informal economy involves the heterogeneity and complexity of work forms, where the “formal” and the “informal” are so intertwined that, between them, a huge “grey area” was created. In order to work around the conceptual difficulties represented by the term “informal work”, they propose to replace it with “informal and precarious work”, arguing that “while informality points our attention

36. See Véras de Oliveira (2015).



to the failure of state institutions to provide a legal and regulatory framework that might give workers security, a ‘precarity’ perspective assumes that uncertainty and insecurity have a variety of roots” (Rosaldo, Tilly and Evans, 2012, p. 08).

Under these conceptual foundations, the authors highlight the moment of the agency, the actors, their perceptions and conflicts as well as the issue of organizing precarious informal workers:

*Traditionally, labor unions and scholars dismissed informal workers as “unorganizable” due to their lack of legal protections, recognized employers or other obvious negotiating counterparts, institutional experience, and surplus income for dues. Moreover, they feared that the atomized, geographically dispersed, and mobile nature of informal worksites posed calamitous collective action problems. Nonetheless, in recent years, millions of street vendors, domestic workers, home-based producers, waste pickers, and other low-income informal workers have begun mobilizing on the local, national, and transnational levels. How do informal workers in hostile social, political, and economic contexts organize to demand labor and human rights? (Rosaldo, Tilly and Evans, 2012, p. 9).*

This is a perspective that provides a greater openness in social research for the recognition of unconventional, innovative ways, even if incipient, of action and organization involving informal and precarious workers. Citing Bonner and Spooner (2011), they argue: “Perhaps then, what makes recent efforts at informal worker organizing “special” is the recognition that the informal economy is here to stay and the vitality of labor movements in the Global North and South alike hinges on

their ability to incorporate excluded workers” (Rosaldo, Tilly and Evans, 2012, pp. 9).

In Brazil, despite the emergence of the “new unionism” and the “democratic and popular field”, in the 1980s, as well as the “citizen unionism”, the “solidarity economy” and some cases of informal workers’ organization, in the 1990s, a broader project to broadly organize workers under informal and precarious working conditions has not arisen. A large vacuum remains in this area. What we have tried to demonstrate in the present essay is that, more than a historical challenge (poorly faced by unions and other kinds of workers’ organizing), this should be understood as a major current challenge, both for political actors and for scholars.

If we admit that the Brazilian way of building the “social question” cannot do without a discussion of the historical conditions under which the themes of “development” and “informality” emerged, a broader view of its current possibilities in the country requires to recover and update the theme of “informal and precarious work” as one of the central aspects of the new conformation of the working classes. In the current context of class struggle in Brazil, Rousseff’s impeachment and the further developments are outlining the conditions (less favorable to employees) according to which the game will go on.



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