

THE FIFTH WAVE OF TECHNOLOGY INNOVATION AND WORKERS: NEW STRATEGIES AND CHALLENGES IN BRAZILIAN TRADE UNION'S BANKING SECTOR

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Abstract

This paper discusses changes in banking sector from successive waves of technological innovations, seeking to identify impacts on employment and 'externalization' of activities, in formulations and strategies of union entities actions to face a new reality for the sector. Analysis of formulations has been done within scope of salary campaigns, stated in minutes presented to the Brazilian Federation of bank associations (FEBRABAN) from years 2000. These mentioned changes modify prospects of a collective action in one of the few categories having a united national campaign, having same rules for all banking sector workers. However, outsourced, particularly banking correspondents, like many other segments of the financial system, are excluded from representation and rights gained by bank employees.

Key words

Outsourcing, technological innovation, claim minutes, Digital Bank, work and banking trade unionism.

Introduction

The objective of this paper is to analyze banking sector changes, by providing elements identifying union movements and collective bargaining challenges, unifying trade unions, federations and confederations banking formulations. The Brazilian banking sector went into different waves of innovation since the 1960's, beginning with back office operations automation, up to ATM's, home banking and internet banking development.

In years 2000, we entered into what is referred to as *fifth wave of banking technology innovation*, characterized by partnership with national financial system external sectors. In Brazil, this new era was based on two pillars: banking correspondents, being an specific outsourcing contract, formed by partnerships among financial institutions and retail stores, providing various banking

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services; and Digital Bank, providing core information technology, applied to services and financial products, most of the times in partnership with telecom & technology companies. A growing trend of financial transactions in digital channels (internet and smartphones) is included within Digital Bank scope, traditional bank agencies decrease of its relative importance, and automated bank internal procedures. Besides, new competitors arose providing financial services: the *Fintechs*.

This paper shows that such phenomena had a negative impact on total number of employees in Brazilian banks in last years, and particularly after 2012. Besides, they modified bank working routines, revising list of required skills. Regular transactions such as fund withdrawals, bank statements, deposits and others are less and less carried out in bank agencies. The agencies, in turn, became virtual, with products focused on high income clients. Thus, main issue of present paper is to assess impact of fifth wave of bank innovation in union's organizations and introduce bank changes occurred to face these technological changes.

Other studies² show that the category has organization capacity, and mentions expressive strikes held in last 12 years. Besides being one of the few categories which achieved a collective agreement valid in the whole country, including significant benefits, particularly in salary increases and consolidation of rights which make it differentiated in the working market, for example, only six working hours per day.

On the other side, Colombi and Krein (2015) state that aspects of technological innovations achievements are much more limited. This can be observed in bank's capacity to develop requested changes to reorganize work, such as outsourcing, banking correspondent's regulations and digital bank.

Seen from this point of view, present paper estimates that innovations occurred may potentially undermine trade union's power, since they modify composition and ways of organizing the category, in spite of union movement being able to see depth of changes and having introduced formulations and actions & initiatives, expressed in claims to preserve jobs and conditions to perform professional banking activities. Nevertheless, trend is reducing number of bank agencies, bringing additional challenges to the organization of the category.

Technological innovations

Brazilian technological innovation waves in banking sector, within the general context of global capitalism transformations, reached its peak during the 1990's. However first movements began in the decade of 1960. According to Jayo (2010) they went through some changes in its business model from the 1960s, when first technological wave began in bank sector. The "back-office automation process" was marked by use of information technology in data

2 Cf. Krein and Colombi, 2015.

processing. The subsequent phases were characterized by closer ties between clients and Information Technology (TI), when it was used, as a first step, in bank booths (second technological wave) and then with implantation of automatic teller machines – ATM's - (third technological wave), ending in its most recent phase, with home banking or internet banking services (fourth technological wave). The so-called “third and fourth technological waves” were part of bank sector productive restructuration process during the years 1990. To conclude, the fifth technological wave brought the Digital Bank and partnerships with banking correspondents, whose impact on employment and bank union movement organization will be analyzed in this paper.

Digital Bank

In “*The Future of Jobs*”, recent publication of the World Economic Forum, the entity states that a series of major changes in business models in a wide range of economic activities sectors, boosted by new technologies, will cause global extinction of 5.1 million jobs up to 2020. This would be the balance of eliminating 7.1 million jobs, mainly related to administrative and office works. The loss would be compensated in a far lesser degree by creating 2 million jobs, mainly in computing, engineering, mathematics and architecture areas. However, it is possible to see several economic activities sectors affected by digital platforms modifying the way of doing such activities and consequently own labor market. It is the case of transports with *Uber*, trade with *Amazon*, the hotel industry with *Airbnb*, the entertainment business with *Netflix*, and so on.

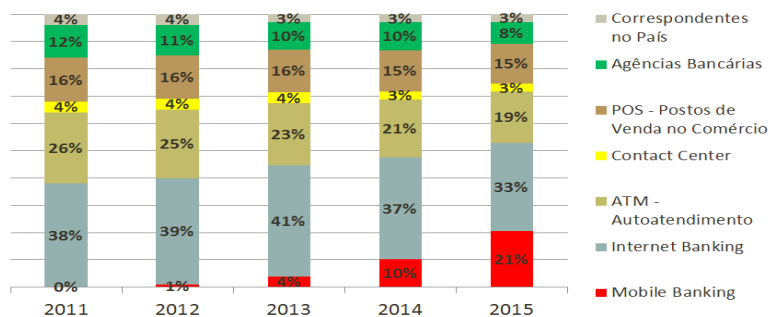
This combination of changes also affects the financial sector. We may identify two transformations of vectors in it: one internal and other external. The first one is a set of internal transformations in ways financial institutions act, towards implementing the Digital Bank. Such transformations are boosted by inter-capitalist competition, with final objective being cutting costs in: paper work, physical archives, postage charges, printing, cash transportation, and especially in the workforce.

In turn, external vector regard emergency of fintechs, which are services financial services startups. It is estimated there are already more than 400 fintechs in Brazil, specialized in providing most traditional banks products and services: credit cards, payments, investments, credit recovery, insurances, etc.³ They are non-financial companies, without need of physical presence to contact clients, and providing financial services in exclusively digital platforms.

The chart below reflects digital bank transactions growth rate speed, especially those by mobile banking. In 2011, smartphone transactions didn't ever appear in the chart, while in 2015 they accounted for 21pct of total Brazil financial transactions. On the other side, attention channels involving interaction with workers account for 3pct (banking correspondents), 8pct (bank agencies) and 3pct (call centers).

3 Valor Econômico. “More than Fintechs dispute the market”. 31/11/2015. Available at <http://www.valor.com.br/empresas/4334666/mais-de-400-fintechs-disputam-mercado>

Chart 1: Brazilian attention channels banking transactions – participation rate



Source: FEBRABAN Bank Technology survey 2015

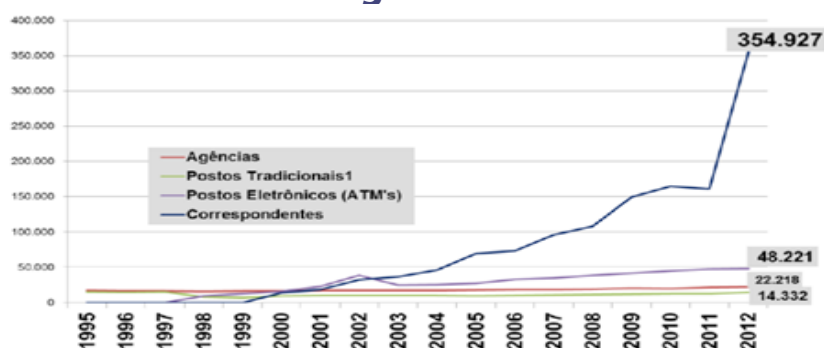
Correspondents within the country/ Bank agencies/Customer sites in stores/Contact centers /ATM's / Internet banking / mobile banking.

Labor externalization: outsourcing and banking correspondents

Outsourcing is consolidating as hiring strategy for financial companies. This began at the end of years 1980 and beginning of 1990's, in a context characterized by renewal of management model, implemented in Brazilian banking companies, the so called *reengineering*. With the purpose of streamlining internal processes, the banks researched working processes stages to allow updating and downsizing of its functional structure; besides this updating allowed identifying which stages and sectors could be automated or outsourced. The outsourcing of labor mainly targeted back office and compensation, telemarketing, and data processing sectors. (SANCHES, 2006) According to Segnini (1997) number of subcontractor employees reached 9.6pct of total in 1993/94, because of outsourcing in several banking functions, beyond limits of its practice, till then restricted to security and cleaning sectors. Outsourcing became more complex and went growing, culminating along years 2000, with total outsourcing of the core-business held by banking correspondents.

A banking correspondent is any entity with National Register of Legal Entities number (CNPJ), having a partnership with a financial institution to provide a series of banking services established in a contract. FEBRABAN and Brazilian Central Bank data show that number of hired entities accounted for a growth of 929pct between 2003 and 2013, going from 36,474 to 375,315 service centers. This is a remarkable figure when compared to bank agencies network, which had 22,918 branches all over Brazil in December 2013.

Chart 2: Brazilian banking services 1995-2012



FONTE: Banco Central do Brasil

Source: Brazilian Central Bank

Agencies/traditional service centers /ATM's/ Correspondents

Both charts 1 and 2 show the importance of banking services out of its agencies, revealing possible ways to interpret financial sector employment in the 21st century. Data from the National Household Sample Survey (PNAD 2013) shows that over one million people were employed by "Financial System" subsector in 2013. However, banking employment, characterized by increasingly educated labor, with above-average pay than the rest of Brazilian working market, and with a collective working agreement nationwide negotiated, means only half of these workers and is declining since 2012.

Other formal workers allocated in such categories as financial and insurance, have specific negotiations, although being employed by the same financial holding. Seeing this trend of distinguishing banking category, observed since end of years 1980, we may ask: which is the impact of correspondents on this scenery and in which category are they usually framed? Which will be the impact of Digital Bank on this new configuration?

If for financial institutions, the new technological wave represents a significant reduction of operating costs operating with paper work, physical archives, postage charges, printing, cash transportation, and especially in the workforce, doubts prevail on impact of costs and facilities assumed by bank clients in this new context.

Impacts on banking employment

Above mentioned transformations, plus specific microeconomic scenery and a more general financial system transformation process – which became an accumulating wealth hegemonic pattern – consolidated, on one side, a model of business highly profitable, as seen in the years 1990 and 2000. Financial institutions profits increased by 380pct in real terms between 1994 and 2003. (DIEESE, 2004.). On the other side, we saw a strong decrease in employment of the sector, At the beginning of years 1990 there were 732,000 mil banking jobs, and in 2001 this was reduced to 392,000, according to data of the Annual Social Information Report of the Ministry of Labor and Employment (RAIS-MTE).

From 2001 there is a reversal in the process and banking employment shows a continuous rising trend. This new trend is essentially related with two unusual occurrences in years 2000. The first one is advance of bancarization - the level of access to banking & financial systems by part of the population, demanding professionals to open accounts and sell financial services. At the same time, between 2006 and 2010, public banks got involved in a recovery policy, as a part of Brazilian government strategy to expand their service programs and stimulate banking inclusion. This also helped to make public banks assume an outstanding position. And process became evident with the extension of market share of employment within the public sector, reaching almost half of banking category in 2014.

After a drastic cut of 46pct in banking jobs during years 1990, between 2001 and 2013 we saw a continuous growth in jobs. However, from 2012, there was a new inflexion in Brazilian banking employment, which began showing systematically negative balances since then. In 2012, balance of jobs creation in banking sector was reduced in 85.3pct when compared to 2011 (DIEESE, 2013). The General Register of Employed and Unemployed (CAGED) data shows that from beginning of 2012 up to May 2016, balance of employments of the sector (except the Caixa Econômica Federal⁴) has systematically been negative, losing 33,418 posts of jobs in Brazilian banks during the period.

Regarding other indicators, when analyzing Banks Management Reports released in this period, we can see a persistent upward trend. Therefore, unsatisfactory results in bank's creation of employment are not result of worst performance of companies of the sector; they are instead fruit of adjustment programs developed with the objective of cutting costs, including personnel expenses, and thus obtaining better efficiency rates. This is most tangible outcome from the point of view of workers of fifth technological innovation wave in Brazilian banking sector. First evidences regarding banking employment movement since 2012 ratify this hypothesis. Traditional banking posts such as bank teller and clerk were quite reduced in financial institutions. Between 2012 and 2014 private banks downsized 19,421 posts of jobs, of which 65pct were bank teller and clerks.

Therefore, we may conclude that reasons why banking jobs declined since 2012 are related to two phenomena connected to Fifth wave of banking innovation, being structural changes in banking labor market, and not just a temporary adjustment. (VAZQUEZ, CAVARZAN; 2015).

Impacts in union movements

The re-profiling of the category has a direct impact in union movement, expressed in the prospect of bank employees being reduced in number, while

4 The Caixa Econômica Federal, a public bank responsible for operacionalization of an important part of government social programs such as Family Allowance (Bolsa Família) and Minha Casa, Minha Vida, besides other programs focusing workers (retirement and pension payments, unemployment insurance program, salary allowance, PIS and FGTS) has a different policy regarding banking jobs, and therefore has been excluded from this analysis.

jobs out of the financial system will increase, especially due to banking correspondents, outsourcing and development of other financial workers categories. Therefore, the first impact will be a smaller participation of worker's affiliates to bank trade unions, due to above described advance of current process of change.

The second impact is characterized by an increasing fragmentation of financial system workers, becoming represented by several union entities. Teixeira, in 2004, mentions ten different trade unions in the city of São Paulo representing financial system workers, in spite of continuing to prevail principle of trade unions unity in the country. Fragmentation aggravates with outsourcing and banking correspondents, which do not tend to be a single union base, since outsourced are split in different professional categories. "Impact of fragmentation could be minimized if workers could, at least from a legal point of view, be represented by the same union. However, this is not possible, due to Brazil union structure characteristics, having an official trade union recognized by the State; a conception of representation by category; union unity" (MALERBA, 2011, pp.167). Therefore, according to Coutinho (2011), this does not grant most adequate union membership, based in Consolidation of Labor Laws (CLT), which is allocating outsourced in the same professional prominent professional category.-

Banking jobs decreasing trend is concentrated in functions traditionally being the base of mobilizations, assemblies and strike movements: banks and bank agencies. New jobs which must gain increasing importance in banks, such as IT professionals or investment managers, are not closely related to unions.

Technological changes allow increasing bank working fragmentation; it can be done in different places, even quite far from customer service stations. This affects developing collective identity and joint actions. (GONÇALVES; KREIN; MADI, 2006).

These alterations also affect union density, as we can observe down here in table 2. In spite of being a category with very high rates of unionization compared to others, there has been a substantial decrease of the rate between 2002 (43pct) and 2013 (33pct). This decrease occurs in a context where unions achieved important facts, especially in what concerns salary adjustments (COLOMBI and KREIN, 2015). The decrease was sharper than average of employees in the period (ALCANTARA, 2015). This is explained because category was re-configured, in number of members and profile. Drop in unionization has multiple explanations, but no doubt reconfiguration of the category and type of remaining worker help understanding the phenomenon.

Table 1: Number of financial sector employees, classified by condition of association to the union, and Brazilian rates of association 2002-2013

Ano	Associados	Não associados	Total	Taxa de associação
2002	365.248	484.859	850.107	43,0
2003	380.290	496.245	876.535	43,4
2004	376.070	503.310	879.380	42,8
2005	363.898	505.561	869.459	41,9
2006	361.508	563.742	925.250	39,1
2007	378.586	633.706	1.012.292	37,4
2008	399.500	591.813	991.313	40,3
2009	373.487	601.555	975.042	38,3
2011	389.569	719.831	1.109.400	35,1
2012	387.556	739.587	1.127.143	34,4
2013	399.597	809.014	1.208.611	33,1
Var % (2013/2002)	9%	67%	42%	-9,9 p.p.

Source: PNAD/IBGE

Year/ Associated / non associated / total / rate of association

Another dimension regards collective action capacity, expressed in strikes. They were quite constant and with many participants between 2004 and 2015 (COLOMBI and KREIN, 2015). Almost every year banking unions held some strikes. However, strikes affect less and less functioning of banking systems. They mainly hit clients using agencies – excluding VIP clients.

Data showed in this paper about channels to do financial transactions in Brazil, represent a huge challenge to banking unions. Strikes are a major claim working class instrument for pressure, and their final target is down timing production and causing losses to their employers, to obtain agreements. However, these tools are heading to an impasse, since chances of success of strikes in above described service channels are focused in operations in agencies and call centers, together accounting for just 11 pct of Brazilian bank transactions. Thus, unions have expanded their strategies to face such scenario, by broadening relationships with banking category through electronic sites and social networks, or through down timing strategies, each time more focused in administrative centers and financial institutions technological centers. (SANCHES, 2012)

Last of all, collective bargaining outcome efficiency will be impacted; since historically achieved benefits will be undermined by excluding a growing number of financial workers covered by collective agreements. In the case of banking correspondents, difference is explicit, since most of them are trade employees, earning salaries near national minimum wage. Besides, they can divert part of expenses with agencies structured in a way to grant safer and healthier working environment. Working hours of banking employees limited to thirty hours a week (while outsourced employees work 44 hours per week) is a “hinder”, overcome by hiring outsourced or commissioned. Trade union strategy of trying to represent outsourced, opens a challenge to obtain approaching their rights with banking category. In general, in a first moment, this tends to offer smaller earning and protection than observed in banking collective labor agreements (VAZQUEZ, 2015).

Therefore, considering framework of debate on trade union's crisis (VERAS, 2015) states that banking workers union entities are challenged to draw new mobilizations and organization's approaching strategies with its base, particularly taking into consideration that agency bank workers traditionally remain closer to unions, whose jobs tend to end with digital Bank and with banking correspondents' exponential growth. And also that traditional struggle and representation methods, may prove less efficient, given banking jobs fragmentation process (GONÇALVES; KREIN; MADI, 2006).

Challenges for the category are huge. They go through debates on technological unemployment, ways of distributing among workers productivity gains arising from technologies, be through remuneration or by reducing working hours, or by re-training employees which will have their jobs removed because of automation, new problems regarding working and health conditions, by alterations in the jobs and salaries structure, in a tendency to switch more traditional jobs related to unions by new jobs gaining in importance in banks and, finally by own methods of strikes and negotiation, in face of a situation of extreme automation in working processes.

How union entities face technological changes and outsourcing

In this item we will analyze new challenges banking unions must face, and ways how banking unionism is adapting to changes, be through claim minutes, collective labor convention clauses, or mobilizations and debates out of negotiating context. Therefore, focus of the analysis will not be on already achieved results by union actions, but on challenges, formulations and actions undertaken during recent period.

Digital Bank and union actions

In accordance with already observed transformations regarding banking services digitalization, the category, since some years ago, is accumulating good knowledge on this issue. Since 2011, the Banking Trade Union of São Paulo, Osasco and region has developed the "28 de agosto" research center which, among other tasks, subsidizes negotiations of the category on studies in such subjects as future banks, public banks, banking technology, environmental development programs, working relationships and consumer world⁵ Regarding generation of knowledge, Salary Campaign of 2013 was established by a seminar together with FEBRABAN and CONTRAF-CUT⁶ to discuss banking technological changes and debate on impact of technology on banking work. Since then, two seminars have been held, in July 2014 and June 2015 on this issue.⁷

Claim minutes of the category also showed several changes in last years,

5 <http://faculdade28deagosto.com.br/centro-de-pesquisa/>

6 National Confederation of Financial Workers

7 Information collected in union press:

http://www.spbancarios.com.br/Uploads/PDFS/560_FB_5705_web.pdf; <http://bancariosacre.com.br/v2/?p=2562>;
<http://www.contrafcut.org.br/noticias/contraf-cut-participa-do-5-forum-febrabran-para-dirigentes-sindicais-363b>

in search of adapting to new scenario. In 2015, for the first time the minute of the category included among other claims a starting salary for credit analysts and IT technicians (article 4th of the minute). It is also possible seeing in the document a series of others articles dealing on Technology issues and impact on employment, such as following:

“ARTICLE 40 - GARANTIES AGAINST DISMISSAL WITHOUT CAUSE

The companies covered by this convention recognize ILO Convention 158 terms, and must apply it in accordance with the provisions of this article:

*I – Independently of number of employees to be dismissed, these dismissals based in economic and financial, **technological and** structural motivations, such mergers and/or incorporations, or analogues, will only be performed after verifying reasons in face of the respective professional trade union[...]* (CLAIM MINUTE OF BANKING CATEGORY)

“ARTICLE 47 – THE COMMISSION ON TECHNOLOGICAL CHANGES

*Within 45 days of signature of the Convention, a bipartite commission on technological changes to debate will be constituted to follow and present technological projects proposals and organizational changes of companies covered by this convention, administrative restructuring, introduction of new equipment, **teleworking, remote access** and other similar situations.*

[...] (CLAIM MINUTE OF BANKING CATEGORY)

These two articles are part of claims since the beginning of the analyzed series, but article talking about constituting a commission on technological changes, had some modifications including, for example, terms “teleworking” and “remote access” since 2014. The original article included a claim of “appropriation of gains in productivity among banks, banking employees, clients and users”. However, this sentence has been removed since minute of 2006. Also, article 53 of the minute dealing with working hours is present in the document since the beginning, but in 2014 was included paragraph third to consider as worked time use of corporative cell phone or other telematic means and computer-aided means of work. The article 55 of the minute, deals with professional qualification and requalification to grant employees getting training and adequate formation in different situations, including “*by reasons of introducing new technologies*”. Such prevision is in the minute since beginning of analyzed series. The article 56 states about banking working hours:

“ARTICLE 56 – BANKING WORKING HOURS

[...]Sole Paragraph – It is not permitted the opening of bank agencies, digital, of business or any other types of customer services, in physical agencies on Saturdays, Sundays, holidays and during the night.” (CLAIM MINUTE OF BANKING CATEGORY)

This article was modified along the years and in 2015 the sole paragraph was complemented with the terms "digital, of business and any other types of customer services". Such alteration is justified because of creation of digital agencies models, being Itaú Bank the pioneer. Last report of the Bank states they already have 108 digital agencies with working hours from 07:00 AM to 12:00 PM exclusively by remote means (and e-mail, phone, SMS, chat or videoconference).⁸

The article 58 of the minute refers to operation of agencies, including a minimum number of employees per agency, updated in 2012 to include business agencies, a compact model currently being adopted by banks. The article 71 of the minute refers to ending unfair objectives and was inserted in a document in 2008. In 2012 it got a new paragraph granting that "*banks will not demand targets to fulfill by means of e-mails, SMS or any other technological means.*" In 2015, the paragraph was again updated, including other technological platforms: "*...e-mails, SMS or any other technological means, including social network groups (whatsapp, Facebook, etc.)*".

To conclude, in 2016, the minute included an extensive article, the number 48, regulating several digital aspects on agencies working conditions, there including remuneration, employment, working hours and patterns, and even access of trade union leaders to workplaces. In reply to this new article, Fenaban proposed to create a working group to analyze reallocation and requalification criteria, whose rules are not yet established.

Even if banking category issues related to technological changes and their impact in employment, in working routines and health, is present in claim minutes since the 90's, and are permanently being updated, including Collective Labor Agreement clauses, concrete advances in salary campaigns are still slow. For instance, in 2013 the category managed to obtain a clause in the Collective Agreement forbidding managers to ask for fulfill of targets and results, through messages in workers' private phones. Nevertheless, any other clauses on technology have been agreed. This is a shortcoming which must be faced in next years by banking unionism; especially the impact of new technologies on employment and in category's working conditions, including health impact due to intensification in keeping track of targets and results and working hour's alterations.

Union actions regarding outsourcing

Banks led the way in resisting outsourcing processes. Claim minutes of the category state, since the 1990's, clauses already forbidding this type of labor in banks. In 1995, a clause on this subject - with national coverage, was added to the Collective Labor Agreement, creating a joint committee on outsourcing; this would be the embryo of a Thematic Table on Outsourcing, existing still today. It is true, that even having signed this agreement, it has been difficult granting the commission really operating, or lately the Thematic Table

⁸ Banco Itaú Unibanco Financial Demonstrations, first quarter of 2016.

on outsourcing. However, it is also true that even later being consolidated a negotiating space, only a few agreements could be established. (SANCHES, 2006) A complex picture was established regarding collective negotiation, seen that each time this issue appears in negotiation tables, FEBRABAN representatives state they will not negotiate bank business management's terms. In 2015 claim minutes of the category, following clause regarding outsourcing was presented to FENABAN:

"ARTICLE 43 – OUTSOURCING"

Banks will suspend implementation of any type of outsourcing projects, from the date of delivery of present list of claims.[...]" (CLAIM MINUTE OF BANKING CATEGORY)

The clause dealing with outsourcing denies any possibility of coexistence with this process. In face of this negative, FENABAN's strategy has been submitting discussion to thematic table on outsourcing, where negotiations are held out of strikes and national mobilization periods, and sometimes state this debate is not adequate to be carried on within Collective Labor Agreement, since it is a bank management option. Bank's outsourcing is subject of major conflicts and, in view of this, in spite of subject being proposed since 1990, it has been quite difficult to advance in getting concrete achievements.

Nevertheless, it was out of negotiation process where banks got great relevance in resisting outsourcing. Currently is under discussion at the National Congress the Bill of Law 4330/2004⁹, regulating outsourcing, considered of highly harmful content to workers' rights, since authorizes indiscriminate outsourcing, including end-activity, does not recognize company's solidary responsibility regarding labor obligations; does not grant equal conditions among outsourced and direct employees; does not have mechanisms to prevent fragmentation of union representation; and, in the case of banks, there is an specific article regarding banking correspondents, granting legal support to this type of outsourcing.

After having been studied by Labor, Administration and Public Service Commission and contemplated in 2010, due to the end of mandate, it was unfilled in February of 2011. By going back to the Lower house, banking union movement got again worried regarding it. Since then, union movement began following steps of the project in Lower house, and bank employees had great awareness in mobilizations. Then, several entities introduced amendments to the project, such as: National Association of Labor Prosecutors (ANPT), CUT and National Association of Labor Judges (Anamatra), but all were rejected by the rapporteur of the bill at the Commission of Constitution, Justice and Citizenship (CCJC), the member deputy Arthur Maia (PMDB-BA). (BIAVASCHI, DROPPA, 2014)

The mobilization against approval of Bill of Law 4.330 went on. Still in

⁹ Presented by deputy member Sandro Mabel of Partido Liberal (PL-GO)

November 2011, a public hearing was called at the High Court of Labor (TST) to hear social actors discussing on outsourcing. Banking workers participated and told about misfortunes arising from this way of hiring, dismissing modernization thesis and showing that, as a matter of fact, it was an attempt to legalize explicit labor frauds.

In the meantime, it was constituted the National Forum in Defense of Workers affected by Outsourcing Processes, where CONTRAF-CUT had participation, together with other confederations, union centrals, intellectuals and jurists, among others, whose work during 2012 and 2013 was capital to obtain temporary suspension of execution of the Project in June 2013. Activities were held in legislative meetings, public hearings, and debates where academics participated. After the suspension, a quadripartite table was instituted, composed by the Federal Government, the National Congress, Union Centrals and employer's representations to discuss the issue. The table could not establish minimum consensus about the project, and pressure went on to obtain the vote. In the meantime, workers organized huge mobilizations in Brasilia against proposal.¹⁰ They were held in July, August and September and drove to a new public hearing in September 2013, with the presence of many trade unions and such bodies as Anamatra, ANPT and the Forum. A relevant fact was the signature by nineteen TST ministers of a public statement against the bill of law 4330/04. This made project to be withdrawn from the Congress until 2015.¹¹

With respect to banking correspondents, since its implementation in 1999, until its sharp expansion, particularly from 2003, it was difficult to establish concrete measures opposing to this subject. Although, debate and study of banking correspondents went deep in union entities, producing training materials for union leaders¹², spaces of debate, inclusion of the issue in working groups of the National Conference of Brazilian bank workers, and training courses.

In principle, the objective was resisting banking correspondent's implementation through the inclusion of a clause in claim minute of the category, at the beginning of the 2000's, in which it was claimed extinction of correspondents. Down here is the clause in the minute presented to FENABAN in 2015:

"ARTICLE 49 – BANKING CORRESPONDENT

Banks must universalize customer service [...] Paragraph 1º – services and attendance will exclusively performed in agencies and service station. Paragraph 2º – Services will exclusively be performed by bank employees. [...] (CLAIM MINUTE OF BANKING CATEGORY)

10 <http://www.redebrasilatual.com.br/politica/2013/08/trabalhadores-ampliam-conversas-com-parlamentares-para-pedir-apoio-ao-pl-4330-2692.html>

11 Video mobilization against bill of law 4330/04 <http://www.contrafcut.org.br/videos/nao-ao-pl-4330-tvt-exibe-reportagem-de-paralisacoes-dos-ba-d19e>

12 Contraf booklets – Banking Correspondents

The text of the clause is explicitly opposed to use of correspondents in providing financial services. Each time it was debated in negotiation tables, tensions arose among trade unions and FENABAN, this because FENABAN insisted in stating that correspondents were part of bank's management strategy, and there it would not be able unions interfering.

The fact is that regulations of correspondents did not advance, particularly after publication of Brazilian Central Bank Resolution 3.110/2003, authorizing a broad set of banking services, and providing regulatory basis which allowed continuous increase in number of correspondents. At the beginning of 2011 it reached 160,000 mil points of services.

In spite of notorious quantitative advance, the model was subject to restrictions and legal limits, based in the fact that when Central Bank issued regulations on correspondents, it legislated matters regarding Labor Laws, a conduct conflicting with article 22 of Federal Constitution, defining as Union's exclusive competence. Besides, when providing banking services in establishments without minimum safety devices, banks were breaking Law 7.102/83 of bank security. The Banking Secrecy Law 105/2001, was also broken when allowed a great number of actors out of the financial system to manipulate confidential data from clients.

Concern regarding "legal limits" is expressed in *Inclusão Financeira*, a publication from the Central Bank. There it is declared that correspondents are efficient banking service's channels of expansion. However, to grant success of the model, it would be necessary an effort from Brazilian Central Bank, together with government and banking system, to beat two constraints to expansion of correspondents in the country: labor demands and laws regarding bank security. With the aim to circumvent part of legal limits, the Central Bank published in 2011 the resolutions 3.954 and 3.959, establishing even greater flexibility in hiring correspondents. The first one revoked resolution 3.110 and increased set of services authorized, including forex operations up to 3,000 dollars or equivalent in other currencies. From that publication, it was admitted hiring institutions whose share control be exerted by contracting institution, meaning own financial contracting institution may obtain a National Register of Legal Entities number (CNPJ) and make it a correspondent.

Shortly after issuing these two regulatory requirements, some Labor rights entities and unions stated opinions - based in technical and academic reports, where they proved harmful effects of outsourcing deepening in Brazil. This process ended with public hearing held in August 16, 2011 in the Constitution and Justice Commission of the Lower House at Brasília, with presence of Bank Central representatives, members of the House, consumer association entities, and class entities, representing employers positions (FEBRABAN) and financial sector employees. (CONTRAF-CUT).

The resolution 4.035, edited a few months after public hearing, reveals political dispute impact on this subject. It was the first time that a restrictive nature regulation dealing on banking correspondents was published; on one

side mentioned enlargement of forex services to be rendered, including in role of products offered by correspondents pre-paid cards loaded with currencies. On the other side, it added (article 4) the regulation on correspondent employees' wages and defined that agreements celebrated to grant consigned credits already signed by correspondents, should be subject to a "monitoring control system on "economic viability of the agreement"; and also added article 17-A, forbidding correspondents inside the walls of contracting institution from January 12, 2012.

However, the year 2012 was characterized by five regulatory requirements of flexibility character. Three of them presented a requirement to delay the entry into force of prohibition of correspondents inside the walls of contracting institutions, and, therefore, flexibilized rules established by resolution 4.035; the other two trying to build forex operations implementation at banking correspondents. (VAZQUEZ, 2015)

Final considerations

The present paper has made an analysis of technological changes currently being developed in banking sector, allowing banks to cut personnel expenses, to the extent they may operate with an increasingly smaller number of employees. The focus of the analysis is in the so-called fifth wave of technological innovation, where financial transaction channels are displaced from agencies to the digital bank, and to banking correspondents. Such process affects banking category composition and profile. On one side, the category went into a downsizing and an increasing displacement of jobs to non-banking companies. On the other side, remaining workers, in smaller number, are the ones in the technological front technological and acting as sellers of banking services, capable of working in anyplace with just a personal computer. It is the fragmentation of banking work. And the process is aggravated by political and economic context, creating a brutally competitive situation and uncertainty among workers, since productivity gains are not being appropriated by the whole of society, but by logic financial predominance, which under hegemony of neoliberalism, is prevalent wealth accumulation pattern in contemporaneous capitalism.

These transformations also affect unions, which must face increasing challenges to represent workers, and tend to become increasingly isolated, therefore making difficult to build collective class identities, even by variable and individualized patterns. The "externalization" of transactions taking them out of agencies, tends to fragment even more the professional categories, facilitated by prevalence of union's singleness. In other words, workers become divided in many categories. And this leads efficiency of strikes and mobilizations to be more limited, since they don't get into the core of the financial system. But in spite of all this, banking unionism has showed great capacity of action and renovation, including development of formulations and strategies of ac-

tion to face these current changes.

Banking unionism is discussing technological transformations, and this is the way to introduce increasing new demands in claim guidelines. It is a long journey, struggling against several main issues about employment in the new scenario (salaries, provisional stability, employment, working hours, professional qualification and requalification, moral harassment, objectives and health). The minute also includes claims on outsourcing and banking correspondents, with their multiple consequences for banking category. However, union's struggles are not only restricted to the collective bargaining issue; they also comprise a series of mobilizations with public authorities to obtain regulations in new working models, which will benefit workers.

To conclude, this unionism is equally aware of new issues and new thematic. By recognizing huge challenges and difficulties, banking unions are trying to reinvent ways of organization, union actions, strikes, downtimes, and own negotiation, in spite of being in a context of worker's fragmentation and crises of collective representation entities. The outcome of new formulations will certainly be analyzed by researchers in the future, which is uncertain and unpredictable.

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