Labor, industry and strategies of development

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The participation of workers and unions in debates over economic development projects has become a required theme of study for both the social agents involved and scholars of labor studies in Brazil. Special attention has been given to investment strategies and the restructuring of large companies, especially multinationals, and their effects on the places in which they are located. In such cases, the question is: does the logic of the shareholder, solely focused on financial dividends, prevail or is it possible to identify local practices of contestation that demand greater responsibility and commitment from the corporation for the consequences of its actions on local territories?

It is not possible to discuss development if we ignore the impacts caused by the presence of this type of company in specific locales and its interference in the structure of power, labor relations and working conditions. And in this context it is an essential step to consider the participation of unions in the definition of investment politics in industrialized regions. The world financial crisis of 2008 has introduced critical elements to evaluate the effective capacity of unions and other social agents confronted with the behavior of large corporations preoccupied above all with profit balances and the potential damage to their immediate interests.

In recent decades, the globalized capitalist market has been marked by social and economic changes that directly affect labor relations through the restructuring of productive activities. The flexibilization of work within and beyond firms has become the most important characteristic of business logic. Global companies have systematically used their presence in various countries to impose these flexible work conditions. The precariousness of job stability and the reduction of the power of unions to win their demands have been among the most visible consequences of the new practices of labor intensification.

Confronted by the current climate of attack on consolidated labor rights, the main question for researchers is to evaluate if there are organizational and political conditions for

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unions to advance alternatives to the dominant corporate strategy. It is important to know if the power of companies faces resistance or social criticism and if locally organized political articulations may be mounted to reinforce the mechanisms of protection for those who live from their labor (Ramalho, 2010). The response of the president of the metalworkers’ union in the ABC Paulista region to the regional crisis of the 1990s and the displacement of firms to other places, serves as a good example of this critical perspective that contests the loss of jobs as the isolated decision of a company owner:

In addition to the strictly financial aspects [loss of salaries, taxes, demand for products from local providers], a factory is also a symbol of accumulated technology, of “know how” with respect to the production of a determined product. In each worker, in each department, in each written norm there are, in reality, various years of knowledge incorporated – which cannot be reproduced with the mere relocation of a factory to another place. (...) Therefore, when an important company (...) decides to close a factory, it is not making a decision with respect to just the private interests of the company. It is a whole public and private community that is involved (...) If a company has the “right” to establish a production and market strategy that it considers adequate, society also has the right to preserve what is in fact its patrimony: the social, economic and technological relations involved (...) in a factory (...) (Luiz Marinho, President of the Metal Workers’ Union, 2001).

The reality of industrial globalization demonstrates that unions will lose their efficacy in representing workers if they focus solely on salary questions and particular corporations. The question of labor today is much wider, complex and enmeshed with other sectors of social life. Traditional union practices do not appear to be sufficient to promote the improvement of the general conditions of life of workers. The union movement needs to actively participate in forums of discussion and decision-making on the processes of economic development, allowing them to bring their demands for better education, health and security conditions, the basic rights of citizenship, to public spaces. Moreover, they need to intervene in decisions regarding investment strategies, economic growth and the distribution of wealth.

To make my argument, I will refer to two Brazilian cases in which communities were forced to confront the negative effects of unemployment and reduction of industrial activities due to the 2008 crisis. These cases reinforce the vision that unions and other social actors are capable of intervening in debates over the utilization of economic resources produced in
particular places so as to eventually constrain companies to alter their strategies and redefine their practices.

The two agglomerated industries involved in these cases have various characteristics in common such as the predominance of large companies and multinationals, the adoption of flexible work schemes in their factories, the regional growth in economic activity and the tax benefits for municipal public administrations. The differences relate to the local history of industrialization, the institutional density accumulated in this industrial context and the level of organization of unions and social movements with all their consequences for power relations.

The first example is from ABC Paulista, in which the principal automakers in the country are located; it has a consolidated working class, a specialized labor market and a well-structured union tradition. Despite these characteristics, the region was vulnerable to world economic crisis and productive restructuring in the 1990s and 2000s as factories engaged in an intense process of reformulation and layoffs.

The second example is from the South Fluminense region of the state of Rio de Janeiro that in the middle of the 1990s amplified its traditional industrial activity, steel making, to make way for a group of multinational automakers. The coexistence of these two types of industry, metalworking and steel production, brought a significant impact to the region in terms of labor relations, union organization and urban conditions.

Theoretical Discussion

Some theoretical orientations help us to understand these cases. In recognizing “locality” as a formative intervening power in economic and business activities, we agree with the argument of Cooke (1989, p.296) that locality is not just a mere receptacle of something decided in national and international processes, but is actively involved in its own transformation even if it does not have total control over the process. For this author, localities are not just places or even communities. They are the sum of all social energy and agency, the result of the agglomeration of diverse individuals, groups and social interests in space. They are not passive or residual, but centers of collective consciousness in various degrees and ways.

Secondly, the practical effects of the adoption of a flexibilization strategy by companies in the globalized market, which puts workers under the “weight of the uncertainty of the market” is also key. In this respect, we follow Boltanski e Chiapello (1999, p. 292)
when they affirm that flexibilization may be *internal*, based on the profound transformation of the organization of work and the technology utilized (polyvalence, self-control, development of autonomy, etc.). It may also be *external*, which presupposes labor organization as part of a network through which “lean” companies find resources they lack through intense subcontracting, a malleable workforce in terms of employment (precarious work, temporary, etc.) and workdays with variable hours.

Along the same lines, Castells points out the extraordinary growth of flexibility and adaptability caused by new technologies that counterpoise the rigidity of work to the mobility of capital. He recognizes the continuous pressure of the system to make labor as flexible as possible: “Productivity and profits grow, but the workers lose their institutional protection and become more and more dependent on individual conditions of negotiation and a constantly changing labor market” (1998, p. 298-299).

This theoretical rationalization, on the other hand, also demands discussion about the different social arrangements, based on flexibility, that are regionally created by multinational companies and the ways in which they justify their actions through the production of good economic results and dividends for owners and shareholders in certain contexts. This is especially the case in which there are expectations that the company make a social commitment to the welfare of its workers and the region through the sustainability of their economic project. Companies have used their power of mobility in these new business arrangements to pressure traditionally regulated labor markets and reopen collective agreements constructed over long years of negotiations by unions.

With respect to union movements, we follow the perspective that transformations in the productive structure affect union organization and the strategies of worker resistance. Unions gained importance throughout the twentieth century by political confrontations at various levels: from resistance to the mechanisms of the control of work to strikes that contested the distribution of riches produced, demanding better salaries and working conditions. The new context has demobilized these institutions of defense of workers, previously organized on the basis of the sharp class contradictions that marked the Fordist era. Their actions have been undermined by the structuring of companies in networks and by the current forms of atypical, insecure and unprotected work arrangements.

The examples presented in the following case studies confirm the importance in this sociological debate of considering questions that relate to localities and regions in the strategies of large companies and the possibility of demanding a commitment from them for the welfare of the population.
The case of ABC Paulista

The well-organized metalworkers’ union in the ABC Paulista region, with its close ties to local political administrations, confronted the economic crises of the 1990s and the 2000s with a proactive agenda. Different sectors of society, including small- and medium-sized business owners, sought to build strategies of economic recuperation and maintenance of jobs, leading to the creation of the Regional Chamber of ABC and the Development Agency of Greater ABC. Yet this did not mean that were no demonstrations of dissatisfaction and protest as to the way in which large companies were treating the region.

We want to emphasize here the fact that the actions of unions with a tradition of struggle, institutional density and political, regional and national accumulation of power with the ability to mobilize their members, were able to play an important and innovative role in new institutional mechanisms. They were capable of discussing different strategies to confront the difficulties imposed on regions and localities, pressuring for favorable solutions for workers in general and influencing new conceptions to deal with situations of economic crisis.

The involvement of the metalworkers’ union in these developments highlights their preoccupation in involving themselves in organs with which they had little previous experience, but where they could discuss investment strategies and social policies. Regional articulation to confront the crisis demonstrated the widening of the union agenda to include questions related to regional development, the distribution of economic and political resources and the establishment of channels for workers’ demands together with state and federal governments.

A unionism that assumes the challenge of going beyond that which is considered natural in the actions of union, that is: an action that goes beyond salaries, working conditions, length of the workday or that which extrapolates from the ambit of the factory and the category of the worker. (Former director of the Metalworkers’ Union of ABC, 2004).

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In both crises, union action aimed to find alternatives to maintain and create jobs and make economic activities viable on a regional basis. The political action of the union, beyond its internal corporatist activities and conflicts with interests in other public spheres, demonstrated the consolidation of its political articulations, which were first initiated and experimented with in the 1990s. They were capable of returning to the political arena and remaking themselves in reaction to the necessities that arose for all political actors in the region in 2008 and 2009 (Ramalho e Rodrigues, 2013 e 2010).

The first aspect to be highlighted in the case of this productive region refers to the conversion of the political capital accumulated in union struggles into another type of political resource, utilized in other spheres of interest related to questions of institutional coordination outside of the traditional spaces of production.

It is worth noting in this case that such articulations did not annul the class differences existent in the factory universe, as they did not reduce conflicts associated with wages and working conditions. It is necessary to take into account the enormous difficulties and limitations that are present in initiatives that involve actors with differentiated social insertions that are marked by a complex dispute of interests and power. However, the union actions of 2009 confirm the incorporation of regional economic questions within the wider group of worker demands.

Regional actors, among them unions, should debate the very model of development that it wants for the region, whose basic elements it should be emphasized [are]: that which first combines economic growth with social inclusion and protection of the environment; second, that promote a new business culture based on the democratization of labor-capital relations and the social responsibility of companies; third, that stimulate innovative forms of the mobilization of economic resources through small business networks whose sustainability (social, technical and institutional) is assured through the systematic effects (agglomeration and proximity) proportioned by the territories in which the networks operate (Constructing a Just and Democratic Brazil: decent employment and work – VI Congress of the Metalworkers’ Union of ABC. Theses, 2009, p.42).
A second aspect related to the dispute of power and interests refers to the complications in relations between multinational companies and small and medium-sized businesses in the regional context and their divergences in interests and perspectives, especially in moments of crisis. The political mobilization for the industrial revitalization of ABC in the 1990s put in check the planning guidelines established by the companies whose headquarters were located outside Brazil and who habitually did not feel the obligation to involve themselves in local and regional negotiations over development plans. The political articulations, which arose again in the crisis of the 2000s, created situations of constraint for these companies when they demanded economic and social compensation and effective participation in local organs of debate about regional questions.

A third aspect refers to the actions of the state and organs of public administration, which gained another dimension in moments of regional crisis. They were involved because of their control of fiscal policy and the implementation of public policies and intervened in the process of coordinating these new institutional experiences. In the case of ABC Paulista, public sector agents, even though they came from different political parties, sought and, to a certain extent, were quite successful in the elaboration of strategies to internalize advanced service industries such as logistics, data processing, product engineering and marketing, among others. An evaluation of this experience demonstrates advances in some agendas related to the deepening of the politics of local revitalization that included the important participation of public organs.

To conclude, this case brings to the fore more elements for the debate on local development strategies in the context of globalization related to: the re-foundation of territorial spaces through specific resources constituted over time; the constitution of new institutional spaces in which social actors may rethink practices of political negotiation and formulate development proposals in public spaces; the role of the representatives of worker who utilize their accumulation of political relations in the exercise of new democratic practices of discussion about models of development and search for alternatives to improve working and life conditions for those they represent and the population in general.

This opens the possibility of investigating if in this social situation (crisis) the necessary conditions for the emergence of activities capable of incorporating sectors of the population within the sphere of citizenship may be created, giving political connotations to the productive universe (Cocco et al., 1999:28). Alternatively, if it is viable to establish a new regional economic order in which there is “a collective dominion of exteriorities (…) which may be managed by public institutions” (Scott, 1999, p. 30-31). Finally, if the population of a
city may be considered as a protagonist in local and political development, which would require a strategic vision of the new role of cities in the international scenario (Klink, 2003, p. 33).

**The South Fluminense Region**

During the 2008 crisis, local society in the South Fluminense region realized immediately the necessity to confront the prejudicial effects on employment and the reduction of economic activities. The Zero Layoffs Forum was created in this context, organizing for a few months a varied range of social agents who sought alternatives for this situation which affected workers, but also small- and medium-sized businesses and the public administration. The construction of a social agenda was the responsibility of the Catholic Church, in alliance with the metalworkers’ union, resulting in a strong appeal for social mobilization, especially in demonstrations against the principal steel-making company of the region (Ramalho, 2012).

It was not the first time the South Fluminense region, especially the city of Volta Redonda, suffered economic crises nor was it the first time they had reacted to the difficulties imposed on a large contingent of workers formed in the previous decades through the process of regional industrialization. But in the context of 2008/2009, the response of the localities in this industrial region acquired new contours by uniting political and economic actors who until that moment had no experience in discussing strategies of collective action or in building channels of interlocution with the aim of advancing demands to the large companies and to organs of public administration at the state and federal levels.

With the crisis, the principal company of the region, the Companhia Siderúrgica Nacional (CSN), a formerly state-owned steel plant founded in the 1940s, laid off workers with the justification that they needed to preserve their business and economic activities. Even though the tendency of the Forum was not to aggravate divergences, but search for alternatives to ameliorate social problems, this collective initiative faced many contradictions since it involved a complex dispute of power.

The use that the company made of its political and economic resources in this case sprung from the long history of its relationship with the municipality and the city of Volta Redonda. The metalworkers’ union was the most important actor in contesting the actions of CSN. They confronted this situation, however, within the context of the implantation of flexible labor relations in the regional productive chain and new challenges to representation given the substantive growth of the industrial working class in the automotive sector in the
The metalworkers’ union, despite its successive internal political crises in the last two decades,\(^5\) preserved the political resources obtained in the negotiations and conflicts with CSN it had accumulated over many years, giving it legitimacy to advance its demands.

The creation of the Zero Layoffs Forum had a direct relation to the dismissal of workers. The ruinous social effects for regional life was the mobilizing agent of this organization in the new space of political and economic demands. Yet the meetings of the Forum ended up associating the question of unemployment to a wider economic agenda, discussing the preoccupations and strategies of small- and medium-sized businesses, of industry and commerce, as well as public administration as a strategy to pressure other state and federal organs. In other words, the Forum evolved from an urgent and sole motivation – the resumption of job creation – to a widening of the regional economic agenda, including various economic sectors, above all local ones, in the construction of a plural example of political action.

With the announcement of the mass layoffs of workers, the metalworkers’ union immediately contested this measure as a way for the company to resolve its difficulties in the face of crisis. The political motivation for the founding of the Forum also included a moral component provoked by the involvement of the Catholic Church that condemned the injustice of layoffs in the face of a crisis exclusively caused by the economic system as a whole. The mobilization of the Church also confirmed its historic alliance with the metalworkers’ union, consolidated through earlier conflicts with CSN. The Forum also counted on the physical space offered by the Church and the active participation of pastoral agents in coordination activities.

The articulation aggregated other actors and ended up attracting a diverse group of entities and individuals who for diverse motives identified with the “Zero Layoffs” slogan as a chance to fortify the locale and the region:

> We mounted a group and did not imagine that that meeting would develop as it developed. (...) New ideas arose. In the first week of January, we were able to have a meeting with many mayors, many deputies. (...) But the most important were the business people, the boss class, other unions, joining. And commerce involved. (City Councillor, Volta Redonda, 16/12/2009).

\(^5\) For a more detailed description of this period in the union’s history see Pereira, 2007; Graciolli, 1997 and 2007; Dias, 2010.
In this mosaic of different insertions and responsibilities related to the destiny of localities and regions, the participation of representatives of public power (mayors, municipal secretaries, city councilors, state and federal deputies) was expressive. Party differences appeared to have been momentarily suspended in face of the urgency of the social demands and the politicians did not fail to act together in search of strategies to aid the companies create jobs and, at the same time, pressure the state and federal governments to undertake public works considered essential to regional economic development.

The form in which CSN reacted to the recession by laying off workers led to a more organized union resistance articulated through the denunciation of a company that was taking advantage of a crisis situation to roll back previous labor conquests. The conflictual relation between the company and the city entered into the debate and was reflected in the speeches produced in the meetings of the Zero Layoff Forum.

The company is trying to demoralize the union with this tactic. (...) CSN called us to converse at the beginning of November (...) The proposal was for a return to an eight-hour day. In relation to the workday, we defended the six-hour day because it generated more jobs, more health, and more time with family. Yet CSN offered half of what it itself has offered in money two years ago. (...) CSN wanted everything and wanted to demoralize the union. (President of the Metalworkers’ Union, Volta Redonda, RJ, 20/03/2009).

The partnership of the Catholic Church and the metalworkers’ union in the context of crisis confirmed the mutual commitment between the two institutions constructed politically during their long history together in the South Fluminense region, and in particular, in the city of Volta Redonda. In the 2008 crisis, the Church, through its bishop, confirmed this partnership against mass layoffs, but, moreover, also used in their campaign one of their principal instruments of persuasion, the Christian discourse of combatting injustice, represented by unemployment and by the social insensitivity of economic power.

Always attentive to the human and political rights of workers, the pastoral action of the Church was also exercised in a consistent form through organization in civil society with demands associated to problems in housing, healthcare, security and the environment. Most recently, it has also articulated actions through the Movement for Ethics in Politics-MEP a campaign to oversee actions of the public power. It also always acted against the authoritarian attitudes of CSN both during the military dictatorship (1964-1985) and in the years after its

One of the principal questions that arose in the crisis that confronted the South Fluminense region in 2008/2009 was the longevity of the institutional alternatives created, principally when they were able to organize a solution through the power of solidarity as was the case in the Zero Layoffs Forum. With the reactivation of the economy in 2009 and the creation of jobs in other companies based in the region, there was a decrease in the political activities of the Forum and doubt remains about the mobilizing efficacy of this experience or of similar experiences. Its continuity even at a slower pace, however, sparked debates for other social demands and the resumption of questions linked to the environment, an older preoccupation due to the pollution caused by the steel plant.

The articulations of the Forum aided debates about political-institutional alternatives created by regions in crisis contexts by putting the discussion about the role of localities into the process of development. It also valued not only the role of social actors, but also the historic legacy involved in the various socio-political networks engaged in these institutional spaces (Ramalho, Santos e Lima, 2013).

The Zero Layoffs Forum, in the context of the 2008/2009 crisis, independent of its continuity, is a good case to deepen our understanding of regional experiences of social demands and collective actions in localities dependent on large companies. The description of this experience clearly identifies the themes necessary for an investigation of the subject: the trajectory of regional socio-political networks and the use they make of organizational resources; the integration of regional conjunctures with those at the national and international levels and the combination of historical factors that permits the creation of complex cases of collective and democratic action in local spaces; the companies in the role of protagonist, but also the contradictions that arose in the defense of their interests; the political practices of other social agents who associated with or opposed themselves to the predominant business position; and the possibility of creating organs of regional debate in the public sphere to alter traditional decision-making mechanisms related to political and economic development projects and proposals.

Conclusion
Altered by new managerial strategies and the restructuring of companies, capitalist enterprises introduced flexible labor relations into workplaces, bringing insecurity and precarious contracts, with impacts on union actions and the economic life of localities. The importance of new institutional experiences and the incorporation of localities in debates over economic development should be inserted into labor studies, exploring questions of space and their social construction. For Cocco et al. (1999:23-24), “the transferal of ‘place’ of production to the territory of the cities extrapolates from the strictly private characteristics of the Fordist regime of accumulation. After all, the space of production, in leaving the factory and becoming a reference in the city (in territory), gains a public connotation that did not exist before”.

It is possible to observe a sensibility to the environment, healthcare, education, etc. as preoccupation with the destiny and management of localities increases. In addition to a different perspective of organization and mobilization, this includes the renovation of strategies of social confrontation, but also the participation in forums of debate and the proposition of themes involving the responsibility and commitment of companies to localities and productive territories and their politics of investment in relation to labor (Rodrigues; Ramalho, 2007). It deals, therefore, with the necessity to return to the unions to identify their adaptation to new contexts and the changes to their political-organizational developments.

Localities and productive territories experience the economic effects of changes initiated by companies in different ways. However, this new conjuncture has also provoked discussion about strategies of economic and social development either through contesting the particular logic of companies or through searching for forms to deal with crisis and situations of economic difficulties. And, at the same time, it renovates the way of doing politics, widening citizenship and permitting the greater participation of civil society and unions in decisions that impact on the lives of people in these localities.

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