JOHN HUMPHREY

Capitalist Control and Workers' Struggle in the Brazilian Auto Industry

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To my parents

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The plants and products shown in these photographs are not related to any particular plant discussed anonymously in the text. The illustrations were compiled four years after the initial research in two São Paulo auto plants, and the author did not take any photographs when researching them.

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Preface

THE AUTO INDUSTRY is never far from the headlines. In Brazil, where over one million vehicles were produced in 1978, the growth of the auto industry was the centerpiece of the "economic miracle." Its phenomenal expansion and rapid rise into the world's top ten auto producers in the nineteen-seventies made the news often enough, but after 1978 the headlines were of a different sort. Instead of miracles, strikes began to make the news—so much so that by April 1980 even the British press carried regular reports on a strike of auto and metalworkers in São Paulo. For forty days a strike of tens of thousands of workers continued in spite of fierce opposition from the State and the employers. The union was taken over by the Ministry of Labor, the strike declared illegal, and union leaders put into prison. This strike was just one major clash in a prolonged period of tension and opposition between the auto workers and the Brazilian State. At issue were not merely wages and working conditions but also the nature of trade unionism and the course of democratization in the country.

Clearly, the workers supporting the 1980 strike must have been motivated by serious grievances and sustained by determined organization. At the same time, the State must have been extremely perturbed by their activities if it was willing to take such stern measures against the union. In view of the importance of the strike and the general context of relations between workers, unions, employers, and the State which led to it, one might have expected social scientists in Brazil and abroad to have devoted considerable attention to the matter. However, had an interested lay person gone to the library in search of enlightenment, he or she would have been disappointed. Up until late 1979 only one book had been published in Brazil on workers in the auto industry (Rodrigues, 1970). Based on research carried out in 1963, this had found that the workers in the industry were generally satisfied with their situation and did not look to the union for assistance

in resolving their problems. This is hardly the kind of situation that provokes a forty-day strike. A more generic approach to the problem would have been equally unilluminating. The standard analysis of the working class in Latin America holds that workers employed by large, multinational firms in the most modern sectors of industry tend to form a privileged group within the working class as a whole. Once again, the privileges of high wages and good working conditions would not appear to provide the basis for protracted and bitter confrontations with the employers and the State, particularly when the "privileged workers" are sustained by support from other unions and the Catholic Church. Finally, an examination of the available work on the Brazilian working class would have found an almost exclusive concentration on the period before 1964, and the literature uniformly refers to the absence of plant organization and the dependence of unions on State support. Once again, this hardly seems to be in line with the capacity of workers to sustain a forty-day strike in open and defiant opposition to the State, even after the union has been taken over and its leaders imprisoned.

I experienced a similar problem of the lack of fit between what was apparently happening and what the written word had led me to expect when I first arrived in Brazil in 1974. I had been led to believe that the working class had been silenced by the military regime's fierce repression after 1968, that the labor movement in Brazil had no tradition of organization in the workplace, and that the press would not carry reports of strikes anyway because of censorship. I was rather taken aback, then, to pick up a magazine one day and read an article about stoppages in some of the metalworking plants in Greater São Paulo. I was just as surprised to find reports about one union in particular, the Metalworkers of São Bernardo do Campo, which was quite openly demanding radical changes in the structure of the trade unions and the rights of workers. Not only were such demands quite out of line with the State's policy, but they also ran contrary to the dominant traits of trade unionism in the period before the military coup in 1964. The Metalworkers of São Bernardo was a union whose workers were concentrated in the auto industry, and the auto industry had

figured quite prominently in the stoppages in 1973-1974. I decided to investigate matters further.

The auto industry in Brazil was, by 1974, a major employer and a key sector of the economy. In that year it produced over 900,000 vehicles with almost 100 percent local content. The five largest assembly firms (all multinational companies) employed over 90,000 people, and in the industrial suburb of São Bernardo do Campo on the south side of the city of São Paulo there were over 50,000 people working in three large plants. The largest, the Volkswagen plant, produced 400,000 vehicles in 1974, and it employed more than 30,000 people. Ford and Mercedes, too, had factories which employed over 10,000 workers. But in spite of the size of these plants and the importance of the auto industry, I could find little information about such matters as wages, working conditions, and occupational structures. Behind the public face of auto consumption was a private and somewhat inaccessible productive sphere. Everyone seemed to know that auto workers earned high wages, and on the basis of this it was often asserted that they formed a privileged elite within the working class, but even this information and opinion sat uneasily alongside the evidence provided by the stoppages in 1973 and the union's complaints about high turnover, excessive overtime, and accidents.

At that time, it seemed that the best way to find out more about auto workers would be to go to the plants and examine the situation there. Good fortune enabled me to gain access to two assembly plants owned by one of the major auto companies, and I spent some months interviewing production workers and management in them. The information obtained at this time provides the basis for the analysis of working conditions and management strategies presented in chapters three and four. At the time of the interviews, it was possible to see that auto workers did not correspond to the stereotype of "privileged workers" that was widely held in Brazil, but the State's firm control over both the unions and political opposition meant that the full implications of this fact did not emerge until later. It was only in 1978 and 1979 that strikes and stoppages in the auto industry brought to public attention the extent and nature of conflict between labor and management. Although

it was not possible to go back into the two plants in 1979, I did return to Brazil and discuss the new developments with managements in three auto firms, union leaders, and rank-and-file activists in the auto industry. The development of industrial relations in the auto industry and the significance of the strikes in 1978 and 1979 are discussed in chapters five, six, and seven. A further visit to Brazil in 1980 enabled me to discuss the impact of the 1980 strike with management and unionists, and this has been incorporated into chapter seven.

The purpose of this book, then, is to explain the system of labor use and labor control in the Brazilian auto industry in the seventies and to show how this derived from the specific social and political conditions existing at that time. On the basis of this analysis it then becomes possible to explain the development of the labor movement in Brazil in the latter part of the seventies. In particular, two questions can be answered. Why did auto workers play such an important part in the mobilization of the working class at the end of the seventies? Why did auto workers and their union raise demands that were different in character from those put forward by the labor movement in Brazil before 1964? The answers to these questions are important not only because of the re-emergence of the Brazilian labor movement in the political arena but also because they can shed light on certain aspects of class formation in other underdeveloped countries which are at present experiencing rapid industrialization.

Acknowledgments

THIS BOOK has developed from an initial interest in Brazil acquired in 1973, and in the intervening period many people and institutions have given support and encouragement. Only a few of them can be mentioned here.

In Britain, my supervisor, Emanuel de Kadt, gave me the patient encouragement that enabled me to finish my thesis without undue difficulty, and it is only now that I am supervising research students that I am beginning to appreciate the amount of effort and time that he gave so ungrudgingly. The Social Science Research Council financed my stay in Brazil in 1974-1975 and also a further visit in 1979. John Peel, the head of the Sociology Department at the University of Liverpool, allowed me time to get on with my research.

My debts to people in Brazil are enormous. Above all, the Centro Brasileiro de Análise e Planejamento, CEBRAP, in São Paulo gave me a place to work, along with all the friendliness, advice, and understanding that went with it. In particular, Juarez Brandão Lopes acted as an informal supervisor and contributed a lot to my work. Needless to say, my research would have been impossible without the cooperation of management and unions in the auto industry. Without the openness of the auto company whose identity must remain undisclosed and the friendliness of the Metalworkers of São Bernardo nothing could have been achieved. Of the many others who helped me in Brazil I will only mention the Trade Union Research Department, DIEESE, whose researchers were unfailingly helpful. They, and many others in Brazil, patiently guided me into the subject when I knew nothing and then gave me the encouragement and interest to go on when I began to develop my own ideas. They made me feel it was worthwhile.

Other influences are less obvious and direct, but no less important. At various stages in my work, certain people gave val-

uable advice and criticism. I will mention only Regis Andrade, Ron Dore, Ken Mericle, and Juan Carlos Torre. I have not always followed their advice, but sometimes they set me thinking about things that had never occurred to me, enriching my outlook and forcing me to try and do better. Two groups have been valuable sources of intellectual development. The Brighton Labour Process Group was the most stimulating group in which I have ever participated, and the working group on the Latin American Auto Industry, sponsored by the Social Science Research Council in New York, provided the stimulus to continue working on the Brazilian auto industry after I had completed my doctoral dissertation.

Finally, I would like to thank the people whose support at times of despair, frustration, and doubt helped me keep moving. In particular, Alan and Mary Tomlinson, fellow graduate students at the University of Sussex, lived through and shared the same anxieties as I did, and Susan and David Storr kept me aware of the fact that there was more to life than Brazilian auto workers.

List of Abbreviations

ANFAVEA	Associação Nacional dos Fabricantes de Veículos Automotores (National Motor Vehicle Constructors Association)
CLT	Consolidação das Leis do Trabalho (Consolidated Labor Laws)
DIEESE	Departamento Intersindical de Estatística e Estudos Sócio-Econômicos (Inter-Trade Union Statistical and Socio-economic Studies Department)
FGTS	Fundo de Garantia do Tempo de Serviço (the law relating to stability of employment and dismissal compensation)
FIESP	Federação das Indústrias do Estado de São Paulo (São Paulo Federation of Industry)
FSP	*Folha de São Paulo* (a São Paulo morning newspaper)
FT	*Financial Times* (a London morning newspaper)
GDN	*The Guardian* (a London morning newspaper)
GEIA	Grupo Executivo da Indústria Automobilística (the presidential steering group set up by the Kubitschek administration to supervise the implantation of the auto industry)
IBGE	Instituto Brasileiro de Geografia e Estatística (a para-statal organization which produces many official statistics, including the censuses and the annual statistical abstracts)
JB	*Jornal do Brasil* (a Rio de Janeiro morning newspaper)
JT	*Jornal da Tarde* (a São Paulo afternoon newspaper)
OESP	*O Estado de S. Paulo* (a São Paulo morning newspaper)
SINFAVEA	Sindicato Nacional da Indústria de Tratores, Caminhões, Automóveis e Veículos Similares (The National Union of the Tractor, Truck, Automobile and Like Vehicles Industry—the legally constituted vehicle producers' "union" and constituent member of FIESP)

Capitalist Control and Workers' Struggle in the Brazilian Auto Industry

Introduction

A NOTABLE FEATURE of the development of the Brazilian working class in the seventies was the central role played by the workers in the auto industry in the southern industrial belt of Greater São Paulo. Although workers in the auto assembly industry constituted only a small fraction of the working class, the fact remains that auto workers more than any others defined the shape of the labor movement in Brazil and led the struggle for change. In the early seventies, the auto workers' union, the Metalworkers of São Bernardo do Campo,[1] established a pattern of union activity and union strategy often called the "new unionism," and this became an important current with the labor movement in the course of the decade. In 1978 workers in the auto industry started the strike wave that gave rise to a prolonged period of industrial conflict, and in 1979 and 1980 strikes led by the Metalworkers of São Bernardo shaped the pattern of conflict between workers and the State. In 1980 and 1981 the struggles over industrial-relations practices and workers' representation in the auto industry signaled both to employers and the State that a commitment to liberalization in the political sphere would have to be accompanied by changes in the workplace. The growth of working-class resistance and the particular forms it took in the seventies were fundamentally molded by auto workers and their union.

[1] Auto workers do not have their own union. By law, they are represented by the Metalworkers Union in the local district. However, in the seventies over half of the metalworkers in the district of São Bernardo do Campo in Greater São Paulo worked in the large auto assembly plants. At the same time, most of the country's auto workers were concentrated in this one district. Although the industry gradually decentralized in the seventies, in January 1978 57 percent of all workers in the auto assembly industry—as registered by the auto assemblers association, ANFAVEA—still worked in São Bernardo. All but 900 of the 69,000 auto workers in São Bernardo at this time worked in just five plants.

It follows, then, that an examination of the auto assembly industry[2] and its workers is a prerequisite for an understanding of the development of the Brazilian working class in the period. This book attempts to provide that examination and understanding. It is addressed to a series of specific problems concerning the reasons why auto workers displayed the combativeness they did, why it was channeled in certain directions, and how it influenced other sections of the working class. The book is, therefore, concerned with a series of specific questions about one particular section of the working class in Brazil at a particular time. It is not about Brazilian workers in general, nor labor under authoritarian regimes in general, nor auto workers in general. Rather, it tries to explain why and with what effects auto workers rather than any other group played a leading role, and the implications of their struggles and strategy for the rest of the working class.

It follows from this that a significant part of the analysis should be devoted to an examination of the situation of auto workers and patterns of labor-management relations and trade unionism in the auto industry. The specific characteristics of auto workers cannot be explained by an analysis of the working class in general. At the same time, the analysis starts from the premise that a crucial determinant of the behavior of auto workers and the role they have played within the working class was their work and employment situation. In other words, it is not sufficient to examine their union activity and strike behavior alone. Merely to state this involves breaking with the dominant patterns of analysis of the working class in Brazil.[3] Studies of trade unionism and specific strikes are much more common than studies of workplaces and the work situations of particular groups of workers. Unionism is studied because of the importance of the labor system and the trade union structure imposed by the State on the working class. Strikes are studied because they are considered to reveal more

[2] In this book, the assembly firms will be called the "auto industry." Components firms will be called the "auto components industry." Collectively they will be referred to as the "motor industry" or "automotive industry."

[3] See Vianna (1978a) for an exposition and critique of various tendencies in the study of the Brazilian working class.

about workers' consciousness than the daily routine of factory life.

To some extent, the decision to concentrate on the workplace was forced by circumstances. In 1974-1975 there was little material available on strikes because the stoppages in the previous year had been incipient and short-lived. Not only this, but it also seemed prudent at the time not to delve in a politically sensitive area. Similarly, there seemed little point in studying the "new unionism" directly because it was still embryonic. As important, the "new unionism" had a strategy of direct negotiations between labor and management and the development of union organization in the workplace, and this suggested that an evaluation of its practical functioning and chances of success would be done best by a concentration on the workplace. However, there is a more fundamental reason for not beginning an analysis of auto workers and their union with a discussion of strikes and unionism. These two manifestations of the state of the working class cannot be explained satisfactorily by analysis only of the manifestations themselves. Therefore, works on these topics in Brazil have tended either to describe strikes and patterns of unionism solely in terms of their internal dynamics or to explain them by appeal to untheorized external causes. For example, analyses of unionism have tended to explain the existence of the State labor system by reference to modernization and rural-to-urban migration. Explanations of strikes, too, have tended to oscillate between the determinism of social-structural variables and the voluntarism of the activities of political agents.[4] This is inevitable unless the determinants of the social structure are themselves theorized.

In this book an attempt is made to avoid the pitfalls of both reductionism and voluntarism by, firstly, locating auto workers immediately in a relation with capital—at the point of production—while at the same time examining the general social and political conditions within which that relation is constituted. Secondly, the examination of the development of workers' resistance

[4] There is, of course, a further variant which attempts solely to describe events in a particular strike. The theoretical eclecticism involved in the selection of significant events to describe is left untheorized.

and union activity is put in a specific historical context. The starting point, then, is the point of production, but merely starting in the factory does not, by itself, define a satisfactory approach. The few factory studies carried out in Brazil before the nineteen-seventies tended to produce reductionist analyses in much the same way as the trade union studies. The factory was seen as a site at which the effects of modernization produce certain behavioral patterns among workers. In the work of Lopes (1964) and Rodrigues (1970) the main explanatory factor for workers' attitudes and industrial relations was the urban or rural origin of the workers themselves. The factory had no life of its own. Diametrically opposed to this kind of analysis are those studies which view the factory as a largely self-contained system. The operation of the system determines the opportunities open to workers and the forms of struggle they adopt. The variations in this approach are enormous, ranging from, for example, Chinoy's (1955) classic study of the adaptation of auto workers to the reality of the job (a reality that Chinoy took as given) to Braverman's (1975) analysis of the determination of the capitalist labor process. In both cases, the "system" has a life of its own, unaffected by the historically given and specific conditions of capitalist reproduction and class struggle.

Neither of these two types of study is satisfactory. The former reduces the factory to a passive site at which broader social processes take effect, while the latter largely abstracts the factory from society. The former leaves no basis on which to distinguish the auto workers from any others in Brazil, while the latter gives no reason why auto plants in São Bernardo should produce workers' struggles and organizations any different from those in Detroit, Barcelona, or Birmingham. And yet it is precisely the fact that auto workers in São Bernardo are different from other workers in Brazil, and also different from auto workers in other countries, which is of greatest interest. The analysis of the factory, therefore, must locate it within a definite social context.

The factory in capitalist society is the site of capitalist production. Capitalist production is the production at one and the same time of use-values (specific material products or services) and

exchange-values (commodities which can be sold). In the factory, work is organized under the control of capital in order for commodities to be produced at a profit. Management organizes production to this end, selecting equipment and organizing work around it. This involves not only the specification and integration of different tasks and the monitoring of performance but also the creation, control, and motivation of workers through what can be termed employment policies: wage rates and structures, recruitment, training, promotion, stability of employment, grievance procedures.

Employment policies are both important and problematic for management. They are important because production is not merely a technical process in which a ready-formed factor of production, labor, is combined with capital to produce commodities. Labor has to be formed and controlled. Employment policies are also important because control cannot be maintained by the specification of tasks and the vigilance of management alone. Capital's inability to specify tasks completely and its difficulties in obtaining suitable labor (not only because of training problems but also because of competition between firms for labor) nearly always give the workers some opportunity for resistance. Hence a management needs employment policies to control its work force. However, these policies are problematic, because both use-values and exchange-values are being produced. Given that the object of production is the creation of specific use-values, there are constraints on the ways in which control can be achieved. It may be easier to control unskilled workers, for example, but in some kinds of production skilled workers are indispensable.[5] Since at the same time the object of production is the creation of exchange-values and profit, management cannot maximize control in a way that is either costly in terms of supervision or directly inefficient (for example, specifying exact work tasks even though efficiency requires flexibility). Management has to control and train labor

[5] This position is contrary to that taken by Edwards, who suggests that technologies are abundant and can be selected in accordance with the control system in force (1979: 179).

while at the same time producing efficiently. These aims can be contradictory.

The precise strategy adopted by management will, of course, vary from industry to industry and from factory to factory. The kinds of products made, the technologies used, and the size of plants will all present specific problems for the formation and control of labor. In some industries, such as textiles, technical change has been a major feature affecting employment policies in the seventies in Brazil,[6] but in the auto industry events in the same period have highlighted the way in which conditions outside the workplace crucially influence management control strategies.

Three types of influence should be mentioned. The first type is that derived from factors affecting the supply of labor. Patterns of capital accumulation and industrial concentration influence local labor markets, and management operates within the constraints of these markets. The kinds of workers available, their previous experience, and competition from other firms influence the options and strategies open to both management and labor.[7] Secondly, management strategies are affected by labor legislation. In Brazil the State plays a large role in determining wage increases (but not wage rates), protection against dismissal, and grievance procedures, and these provide the initial framework from which labor-management relations in the plants develop. Thirdly, the ability of management to impose strategies is influenced by the form and

[6] On the question of technological change in the Brazilian textile industry and its implications for labor-management relations, see Acero, 1981.

[7] The issues raised by this consideration go far beyond labor-market theory. At the time of the study in 1974-1975 the combination of the difficulties in carrying out studies of workers outside plants and a desire to concentrate on labor-management relations in production led me to ignore such issues as the development of religious and political organizations in working-class districts. In the 1980 metalworkers' strike, for instance, the Catholic Church's base organizations played an important role in organizing and sustaining workers' resistance, and this is an area which merits more attention. More generally, workers arrive at the factory gates with definite characteristics which are important for a study of labor processes and management strategies. Relevant characteristics include union experience, family and community situation, and political affiliation. These vary not only from country to country and from area to area but also within these areas according to such factors as race, sex, and skill.

extent of union organization and activity. The freedom of unions to organize and mobilize, along with the liberties allowed rank-and-file activists in the plants, are major factors in workers' ability to resist management pressure.

When these influences are taken into account, the factory is no longer seen as a subsystem largely independent of the wider society. Rather, it becomes a site at which the relations between labor and capital as a whole are brought to bear on the particular terrain of concrete labor processes and concrete management practices. The workplace is integrally related to the general conditions of capitalist production, and it is a vantage point for studying the effects of class formation, labor legislation, labor markets, and patterns of union activity.

The first half of this book examines the auto industry in the light of the above discussion about employment policies and management strategy. Following the opening chapter, which examines the development of the Brazilian labor system, chapter two situates the auto industry in the context of, firstly, the expansion of Brazilian industry before and during the period of the "economic miracle," and secondly, the transformation of the labor system in Brazil following the military coup in 1964. This then allows an examination of the auto industry itself, which is carried out in two stages. It begins in chapter three with a rebuttal of dual-labor-market analyses of the auto industry in Brazil and an empirical examination of wages and working conditions. It is shown that the patterns of wages, stability of labor, and training found in the industry are incoherent when analyzed from a dual-labor-market perspective. In chapter four, these patterns are shown instead to be the result of a coherent management strategy of labor use and labor control in operation in the mid-seventies. The combination of this strategy at plant level with general bargaining procedures and the State's control over unions is illustrated, and its points of weakness are specified.

It is shown in chapter four that the imposition of this system of labor control depended on the ability of employers and the security forces to contain struggles within the plants, together with State restrictions on union activity. An account of the system,