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Chapter 3. The political economy of labour relations regimes under 21st century neo-authoritarian governments – a study of Brazil

Throughout the years, Brazilian workers and their union organizations have faced innumerable challenges, including the truncated transition in the 19th century from the slave-labour based system of primitive accumulation to late-developing modern capitalism which deliberately excluded the overwhelming majority of recently emancipated Afro-Brazilians from the formal sector labour market, the establishment of a corporatist labour relations framework in the 1930s which subordinated labour militancy to the interests of the state, and the bloody 1964-1985 military dictatorship which was directly responsible for the extrajudicial assassinations of over 400 union activists (CUT Brasil, 2015). Despite the political advances registered since the ratification of the 1988 constitution, and especially under the labour-friendly Workers Party (PT) administrations, the Brazilian labour movement is once again at a crossroads, enduring physical repression, political delegitimization, and institutional decay under the neo-authoritarian Bolsonaro administration. As Brazilians head to the polls in October 2022 to choose between Bolsonaro's re-election or the return of centre-left former President Luiz Inacio 'Lula' da Silva, the results will literally be life or death for a union movement struggling under a situation marked by democratic decline, economic malaise, and the increasing precarization of work. This article will address the principal obstacles to full human and labour-rights compliance that Brazilian workers are presently facing, as well as discuss the role of international mechanisms and transnational solidarity to remedy these grave and systematic rights violations.

How Bolsonaro displaced the Workers' Party

In order to understand the Brazilian labour movement's current crisis, it is important to briefly analyse how the neo-fascist Bolsonaro administration rose to power, only a handful of years after the widely touted successes of the PT governments in promoting economic growth with social inclusion during the first decade and a half of the 21st century. In the early 2010s,

the commodities boom began to cool and Brazil started to experience the delayed impacts of the 2008 global financial crisis, limiting the PT government's capacity to continue to expand public investment in infrastructure and social programs. At the same time, right-wing political actors began to question the democratic rules of the game, after the 2014 centre-right presidential candidate Aécio Neves lost by a slim margin to the PT candidate for re-election, Dilma Rousseff, and refused to accept the results despite the non-existence of any objective indicators of electoral fraud. Concomitantly to this, the judiciary launched an attack on the PT's reputation through the *Lava Jato* (Car Wash) investigations into corruption in the state-owned oil company, Petrobras. These investigations were marked by partisan bias as the notoriously reactionary federal judge Sergio Moro, who led the trials, subjectively focused most of the attention of prosecutors and the mass media on allegations of crimes committed by PT leaders; there were also procedural irregularities, such as the illegal collusion between the team of prosecutors and Judge Moro, uncovered after the fact by investigative reporters in 2019.

The combination of heightened political polarization and severe economic downturn reached an unprecedented fever pitch in the country between 2016 and 2018. During this period, President Dilma Rousseff was impeached on highly questionable grounds. Her neoliberal vice-president, Michel Temer, assumed office but was unable or unwilling to end the crusade against the PT. Former president Lula was imprisoned and barred from running for president in 2018 due to the partisan *Lava Jato* investigations, and - with ample assistance from both the conventional mass media and fake news spread on social media platforms - the far-right Jair Bolsonaro was elected president in October 2018. Despite attempts to galvanize working-class sentiment against the 2016 impeachment and against Bolsonaro's candidacy in 2018, the Brazilian labour movement was tragically unable to stem the tide of democratic degradation, due in part to its own internal divisions as well as its prioritization of institutional spaces of social dialogue over rank-and-file mobilization during the time when its political allies were in power.

Another key factor which continues to inhibit the Brazilian labour movement's associative and institutional power today are the provisions of the 2017 anti-worker labour law reform, passed under the interim Temer administration. This thoroughgoing radically neoliberal reform modified more than 100 provisions in the 1943 Labour Code, faithfully mirroring the demands made by influential employers' associations such as the *Confederação Nacional da Indústria* (CNI) to 'modernize' Brazilian labour legislation. Some of the most impactful changes introduced *vis-à-vis* this reform

were the introduction of new forms of precarious labour contracts such as the zero-hour *contrato intermitente* (intermittent contract), the creation of labour-management councils in medium and large enterprises that do not explicitly include union representatives, the introduction of a new judicial norm which allows for the negotiation of concessionary bilateral agreements that reduce labour standards below what is guaranteed under federal or state law, the imposition of new fees for low-income workers who attempt to access judicial remedies for labour law violations, and - perhaps most importantly for the labour movement - the elimination of the mandatory union tax, which the vast majority of union organizations depended on for their financial sustenance. Due to the norms in this labour law reform, as well as the broadly anti-union climate which has prevailed in Brazil since the fall of the Rousseff administration, unions have lost 97.5% of their revenue from these formerly mandatory contributions (Ferrari, 2022), and more than 2.9 million workers have disaffiliated from their respective unions since the law was enacted in 2017 (Silveira, 2020).

Unions under threat

The creation of a new far-right hegemony in the political arena, combined with the imposition of the neoliberal labour policies mentioned above, have created a situation in which Brazilian unions are under threat as institutions and Brazilian unionists are under personal threat as human and labour rights defenders. With regards to physical violence against labour activists, thankfully, the quantity of human rights abuses against Brazilian worker leaders in recent years has not approximated the extreme levels that have been reached in other Latin American countries such as Colombia or Guatemala, but nevertheless, they are not insignificant. Since 2018, anti-union violence has been especially concentrated against leaders of small farmers' and farmworkers' unions, as well as against journalists. Much of the violence against rural union leaders has intensified in parallel with the change in environmental policy under Bolsonaro, which has turned a blind eye to large-scale deforestation as well as encouraging mining and other extractive activities in the Amazon jungle and in other fragile biomes such as the Pantanal wetlands. The 2019 assassination of Carlos Cabral Pereira, president of the Rural Workers Union of Rio Maria in the Amazon-region state of Para, is an emblematic case. Cabral was a well-known labour and environmental rights advocate in the area, who was targeted by clandestine loggers and land grabbers since the decade of the 1990s. Encouraged by the violent rhetoric propagated by Bolsonaro, two gunmen (probably hired

by local landowners) felled Cabral outside of his home on 11 June, 2019 (Comissão Pastoral da Terra, 2019). To date, no one has been charged or even officially identified as a suspect by the police with regards to this heinous crime.

Two of the main strategies used by Bolsonaro to win the elections and to dispute hegemonic control of political discourse in Brazil were to repress free speech and to curate and disseminate large amounts of fake news, and because of this, journalists have been one group of workers particularly under attack since his rise to power. According to the National Federation of Journalists (FENAJ), in 2021 an investigative journalist from the state of Para and a popular radio announcer in the state of Bahia were brutally assassinated. Likewise, in 2021, two Brazilian journalists were arbitrarily detained, four were threatened with death, and journalists were physically attacked on 26 occasions, making that year the most dangerous on record for media workers since FENAJ began documenting these types of human rights abuses in the 1990s. It is important to mention that Bolsonaro himself was one of the principal aggressors against journalists – according to FENAJ, he made statements verbally abusing specific journalists and discrediting the work of the press 147 times during 2021 (FENAJ, 2022).

As alluded to earlier, under Bolsonaro, unions have had to struggle to maintain their institutional survival. From 2019 to 2021, the Bolsonaro administration enacted a series of temporary presidential decrees (*medidas provisórias*) that eliminated the ability of unions to deduct union dues automatically from workers' paycheques, as well as creating a two-tiered system of contracting for young workers (the *carteira verde amarela*) and limiting the collective bargaining powers of unions during the pandemic. Fortunately, the labour movement was able to mobilize sufficient resistance to these projects within the Brazilian Congress, thus preventing them from becoming permanently part of federal law. Despite these victories, unions have had serious difficulties in securing wage gains, due to their weakened associative power combined with a highly unfavourable labour market for workers. According to the labour research centre DIEESE, in 2021, 47.7% of all collective bargaining agreements signed in Brazil did not include a real wage increase, with negotiated wage adjustments failing to cover accumulated inflation for the year in 7775 agreements. By contrast, in 2018, only 9.3% of all collective bargaining agreements (equal to 1637 agreements) failed to achieve real wage increases for the workers covered under these instruments (DIEESE, 2022).

International condemnation

Given this (literal and figurative) scorched-earth panorama for workers and their organizations in Bolsonaro's Brazil, international solidarity is now imperative, more than ever. In 2021, the International Trade Union Confederation (ITUC) included Brazil on its list of the ten worst countries in the world for working people, due to widespread violations of the rights to strike, to collectively bargain, and to organize. Similarly, the ILO Conference Committee on the Application of Standards included Brazil in its 2019 list of specific countries that seriously violate internationally recognized labour standards, with the Brazilian government condemned for systematic infractions of Convention 98, which protects the right to union organization and collective bargaining (ILO, 2019).

With help from allies in Europe and the Americas in particular, the Brazilian union movement has been able to successfully use global public tribunals such as those provided by the ILO and Inter-American Commission on Human Rights to shine a light on the grave abuses workers have been subjected to in recent years. In addition, Brazilian unions have worked with these allies to provide vital information on labour rights violations to include in briefings to US and European policymakers, as a way of trying to condition trade and development co-operation policies to more thoroughgoing respect for human, labour and environmental rights. These advocacy actions have already notched up some successes, with the ratification of the European Union (EU)-MERCOSUL trade agreement currently at an impasse, due to the hesitancy of EU elected officials to sign an agreement with the Bolsonaro administration unless improvements are made regarding human rights standards and environmental stewardship in the Amazon region.

It is extremely important that international allies of the Brazilian labour movement remain vigilant, as Bolsonaro is already making credible threats that he will not respect the outcome of the 2022 presidential elections (if he is not chosen), setting the stage for a possible autocoup, along the lines of what was attempted by followers of Donald Trump in the USA on 6 January, 2021. If Bolsonaro succeeds in remaining in power beyond 2022 (using either constitutional or unconstitutional means), it is highly probable that the once-robust Brazilian democracy and union movement will be dealt a death blow by the dual scourges of neoliberalism and neo-fascism. Advocates for democracy and labour rights around the world must remain mobilized to ensure that this does not happen.

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