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Union-Party Links and the Reconfiguration of the Labor Movement:
Brazil and Mexico 1990-2007

by

Andra Olivia Miljanic

A dissertation submitted in partial satisfaction of the
requirements for the degree of

Doctor of Philosophy

in

Political Science

in the

Graduate Division

of the

University of California, Berkeley

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Professor David Collier, Co-chair
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Professor Laura Stoker
Professor J. Nicholas Ziegler
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Abstract

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by

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Doctor of Philosophy in Political Science

University of California, Berkeley

Professor David Collier and Professor Ruth Berins Collier, Co-chairs

This study examines the reconfiguration of labor movements in Latin America, focusing on the automotive sector in Brazil and Mexico and comparing the two countries across two crucial decades—the 1990s and the 2000s. The analysis situates this reconfiguration in a crucial historical context. Thus, the transitions to democracy and open-market economies that began in most Latin American countries in the 1980s prompted a restructuring of relations within the labor movements, connected with changing relations among labor, state, and business actors. The automotive industry, a pillar of the Brazilian and Mexican economies, experienced a similar economic transition and pattern of foreign direct investment across the two countries. However, over the last two decades, cooperation among auto worker unions—which historically have been among the most important labor actors in these countries—has evolved in opposite directions. Cooperation has increased in Brazil, and declined in Mexico. How is this contrast to be explained?

Cooperation within the labor movement is understood here as involving a low level of representation conflicts among labor unions (i.e., disputes over the scope of membership to be represented by each union) and a high level of joint projects, joint actions, and networks among unions. The dynamics of cooperation/non-cooperation revolve in part around the fact that both centrist and leftist unions are found in the automotive sector, yielding distinctive issues about the terms of cooperation. Highly cooperative relations within the labor movement can increase the bargaining power of labor actors and consequently strengthen the unions' response, for example, to investors' preferences for weaker, acquiescent unions and for reductions in contractual protections of workers' rights. In addition, a labor movement with a high level of cooperation can be an important source of political support for governing parties who may, in exchange, address labor demands.

This study focuses in particular on two dimensions of cooperation among auto worker unions—i.e., both within and among peak labor organizations. It examines the links between labor unions and political parties as a key factor in explaining these dimensions. Crucial here is the interaction

between (a) the type of party in government at the national level—left or non-left; and (b) whether the governing party is associated with a labor central.

Three specific arguments are advanced. First, if (a) the party in government is *not* of the left and (b) is associated with a labor central, the result is greater cooperation within that labor central and low cooperation between labor centrals. Increased cooperation within the associated labor central is triggered primarily by an exchange between the governing party and the labor central, involving an allocation of state resources by the party in return for political support. State resources are not distributed to other labor organizations, as the non-left party's constituency includes non-labor actors such as business. Consequently, the party does not need the support of the entire labor movement. No significant change in cooperation occurs within the labor centrals that are not associated with the party in power. Examples are Brazil in the 1990s and Mexico in the 1990s.

Second, if (a) the party in government is of the left and (b) is associated with a labor central, this increases cooperation both within and between labor centrals. Generally, association between the party in government at the national level and a labor central increases cooperation within that labor central. The ties between the governing party and the associated labor central are reinforced on both pragmatic and ideological grounds, prompting a high level of cooperation within the central. Moreover, the left party needs the political support of the entire labor movement and consequently engages in a broad distribution of resources across labor centrals, stimulating cooperation within and between centrals. Finally, the moderation of the left party in government leads to moderation of the associated labor central, bringing its strategies closer to those of labor organizations further to the right and subsequently facilitating cooperation across labor centrals. This pattern is found in Brazil in the 2000s.

Third, if (a) the party in government is *not* of the left and (b) is *not* associated with a labor central, the result is decreased levels of cooperation within and between centrals. This is expected because the party's electoral base is located outside the labor movement. Moreover, due to the lack of association with a labor central, the party's strategy for controlling labor consists of building links with specific investor-friendly unions rather than with an entire peak labor organization. This scenario is illustrated by Mexico in the 2000s.

Overall, this study maps out critical trade-union dynamics—at a time of great transformation in the automotive industry, emergence of new centrist and leftist currents in the union movement, and critical issues concerning the capacity of unions to improve the position of auto workers. The study's distinctive contribution also lies in the fact that only a limited amount of comparative research on trade unions has appeared in recent years. The analysis seeks to address this gap by offering new comparative insight into this key economic sector.

In memory of Eleno Bezerra, a visionary metalworker who did not live to see his greatest dreams
come true
and
In memory of Kelly Strough, my teacher at Fruitland High School, who inspired me to study
social sciences

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List of Acronyms

ANFAVEA	Associação Nacional dos Fabricantes de Autoveículos (National Association of Automakers; Brazil)
BNDES	Banco Nacional do Desenvolvimento (National Development Bank; Brazil)
CAT	Central Autônoma dos Trabalhadores (Autonomous Workers' Central; Brazil)
CGT	Confederação Geral dos Trabalhadores (General Confederation of Workers; Brazil)
CGTB	Central Geral dos Trabalhadores do Brasil (General Central of Brazilian Workers; Brazil)
CIPA	Comissão Interna de Proteção de Acidentes (Internal Commission for the Prevention of Accidents; Brazil)
CLT	Consolidação das Leis do Trabalho (Consolidation of Labor Laws; Brazil)
CNM/CUT	Confederação Nacional dos Metalúrgicos da Central Única dos Trabalhadores (National Confederation of Metalworkers affiliated with the Single Workers' Central; Brazil)
CNTI	Confederação Nacional dos Trabalhadores na Indústria (National Confederation of Industry Workers; Brazil)
CNTM	Confederação Nacional dos Trabalhadores Metalúrgicos (National Confederation of Metalworkers; Brazil)
CNTM	Consejo Nacional de Trabajadores Metalúrgicos (National Council of Metalworkers; Mexico)
CONLUTAS	Coordenação Nacional de Lutas (National Coordination of Struggles; Brazil)
CONSTA	Conferencia Nacional de Sindicatos Automotrices de Mexico (National Conference of Mexican Auto Unions; Mexico)
CROC	Confederación Revolucionaria de Obreros y Campesinos (Revolutionary Confederation of Workers and Peasants; Mexico)
CROM	Confederación Regional Obrera Mexicana (Mexican Regional Labor Confederation; Mexico)
CSN	Companhia Siderúrgica Nacional (National Steelworks Company; Brazil)
CT	Congreso del Trabajo (Labor Congress; Mexico)
CTM	Confederación de Trabajadores de México (Confederation of Mexican Workers; Mexico)
CUT	Central Única dos Trabalhadores (Single Workers' Central; Brazil)
DEM	Democratas (Democrats; Brazil)
DIEESE	Departamento Intersindical de Estatística e Estudos Socioeconômicos, Inter-Union Department for Statistics and Socioeconomic Studies; Brazil)
FAT	Frente Auténtico del Trabajo (Authentic Labor Front; Mexico)
FAT	Fundo de Amparo ao Trabalhador (Support Fund for Workers; Brazil)
FEM/CUT	Federação dos Sindicatos Metalúrgicos da CUT, São Paulo (Federation of Metalworkers' Unions Affiliated with CUT, São Paulo; Brazil)
FENAM	Federação Nacional dos Metalúrgicos da CUT (National Federation of Metalworkers Affiliated with CUT; Brazil)

FESEBES	Federación de Empresas de Bienes y Servicios (Federation of Unions of Firms of Public Goods and Services; Mexico)
FS	Força Sindical (Union Force; Brazil)
GI	Grupo dos Independentes (Independents' Group; Brazil)
IRNAA	International Research Network on Autowork in the Americas (Mexico, United States, and Canada)
LFT	Ley Federal del Trabajo (Federal Labor Law; Mexico)
MOSP	Movimento de Oposição Metalúrgico de São Paulo (Opposition Movement of São Paulo; Brazil)
NAFTA	North American Free Trade Agreement (Mexico, United States, and Canada)
NC	Nova Central (New Central; Brazil)
PAN	Partido Acción Nacional (National Action Party; Mexico)
PCdoB	Partido Comunista do Brasil (Communist Party of Brazil; Brazil)
PDT	Partido Democrático Trabalhista (Democratic Labor Party; Brazil)
PFL	Partido da Frente Liberal (Liberal Front Party; Brazil)
PL	Partido Liberal (Liberal Party; Brazil)
PMDB	Partido do Movimento Democrático Brasileiro (Brazilian Democratic Movement Party; Brazil)
PP	Partido Progressista (Progressive Party; Brazil)
PPB	Partido Progressista Brasileiro (Brazilian Progressive Party; Brazil)
PPS	Partido Popular Socialista (Socialist Popular Party; Brazil)
PRD	Partido de la Revolución Democrática (Democratic Revolution Party; Mexico)
PRI	Partido Revolucionario Institucional (Institutional Revolutionary Party; Mexico)
PRN	Partido da Reconstrução Nacional (National Reconstruction Party; Brazil)
PRTB	Partido Renovador Trabalhista Brasileiro (Brazilian Labor Renewal Party; Brazil)
PSB	Partido Socialista Brasileiro (Brazilian Socialist Party; Brazil)
PSDB	Partido da Social Democracia Brasileira (Brazilian Social Democratic Party; Brazil)
PT	Partido dos Trabalhadores (Workers' Party; Brazil)
PTB	Partido Trabalhista Brasileiro (Brazilian Labor Party; Brazil)
SDS	Social Democracia Sindical (Social Union Democracy; Brazil)
SITIAVW	Sindicato Independiente de Trabajadores de la Industria Automotriz Volkswagen (Independent Union of Workers in the Automotive Industry Volkswagen; Mexico)
SITIMM	Sindicato de Trabajadores de la Industria Metalmeccánica (Union of Workers from the Metal Industry; Mexico)
SNTIMAPA	Sindicato Nacional de Trabajadores de las Industrias Metalmeccánica Automotriz y Proveedora de Autopartes (National Union of Workers in the Metal, Automotive, and Auto Parts Supplier Industries; Mexico)
SNTSS	Sindicato Nacional de Trabajadores del Seguro Social (National Union of Social Security Workers; Mexico)
STPS	Secretaría de Trabajo y Previsión Social (Ministry of Labor and Social Welfare; Mexico)
STRM	Sindicato de Telefonistas de la República Mexicana (Telephone Workers' Union of the Mexican Republic; Mexico)

STUNAM	Sindicato de Trabajadores de la Universidad Nacional Autónoma de México (Union of Workers at the National Autonomous University of Mexico; Mexico)
UGT	União Geral dos Trabalhadores (General Union of Workers; Brazil)
UNT	Unión Nacional de Trabajadores (National Workers' Union; Mexico)
UOI	Unidad Obrera Independiente (Independent Labor Unity; Mexico)

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Chapter 1

Introduction

I. Overview

Since the emergence of the working class in Latin America, labor unions have been important actors in society, with a significant impact on national politics. The transitions to democracy and open-market economies that began in most Latin American countries in the 1980s triggered a reconfiguration of their labor movements. This study focuses on the automotive sectors of the Brazilian and Mexican labor movements in the 1990s and 2000s to examine the restructuring of relations among labor organizations.

The automotive industry, an important pillar of Latin America's two biggest national economies and a space for trade unions that have historically been at the forefront of the labor movement, underwent a similar economic transition and pattern of foreign direct investment across the two countries. However, from the 1990s to the 2000s, relations among auto worker unions have evolved in opposite directions. Cooperation in the labor movement—understood here as involving a low level of disputes over the plants represented by each union and a high level of joint projects, joint actions, and networks among labor unions—has increased in Brazil, and declined in Mexico. What explains this contrast?

Cooperation entails cohesion, collaboration, and solidarity among labor unions. Highly cooperative relations within the labor movement can increase the political leverage of unions in their negotiations with business and state actors. A cooperative labor movement can engage in mutually beneficial transactions with a governing party who seeks re-election and who will meet labor demands in exchange for political support.

The transition from an import-substitution industrialization model to an open, export-oriented market economy augmented competition among firms in Brazil and Mexico, prompting them to seek alternatives for lowering labor costs. In addition, in the 1970s and 1980s the automotive industry experienced an internationalization of production which contributed to intensified competition. In response, in the 1980s and 1990s multinational automotive corporations started to pursue increased flexibility in labor relations and to introduce new, more efficient production technologies, either directly in new factories or through industrial restructuring in old factories. The process of industrial restructuring resulted in lower wages and a loss of jobs, which in turn led to a decline in the economic and political status of labor organizations in the 1980s, 1990s, and 2000s (Cook 1995: 78-81; Middlebrook 1991: 275-276). Although the influence of labor unions on national politics decreased in the 1990s and 2000s relative to previous decades, their role in Latin American politics and economies, their potential influence on public policy, and their links to political parties, state, and business actors continue to be important.

Foreign direct investment in the Brazilian and Mexican automotive industries started in the 1950s and 1960s. The multinational corporations that first opened car assembly plants in the two countries concentrated in specific regions—around São Paulo in Brazil and around Mexico City in Mexico. In the past twenty years, national and subnational state administrations in Brazil

and Mexico dedicated increasingly aggressive efforts to the attraction of potential investors. Subsequently, the automotive sector continued to be a vital sector for foreign direct investment that changed its geographical distribution of investments. In the 1990s, Brazil received a wave of new investments in the automotive sector away from the core industrial region of São Paulo, driven by the 1994 Real Plan's¹ success at stabilizing the economy, the incentives offered by the Brazilian federal government through the New Automotive Regime² starting in 1995, and the fiscal incentives offered by Brazilian state and municipal governments, which were invested with a higher degree of autonomy by the 1988 Constitution. Mexico experienced a new wave of investments in locations outside the traditional industrial area of Mexico City starting in the 1980s. I will refer to plants opened in the 1950s and 1960s as the first wave of investment and to plants opened after 1980 in Mexico and after 1990 in Brazil as the second wave of investment.

The internationalization of automotive production and the resulting increase in competition and necessity to lower labor costs were driving factors for investments in periphery areas in both countries. At the same time, the Mexican government was changing its economic policies towards increased promotion of exports in the manufacturing sector in general and the automotive industry in particular. The search for a lower cost of labor and less conflictual unions combined with a decrease in domestic demand and an increasing emphasis on exports led to a concentration of new automotive investments in northern Mexico, close to the border with the United States.

In Brazil, the old³ plants were located mainly in the traditional investment area of the ABC around the city of São Paulo and in the Paraíba Valley, both in the state of São Paulo⁴. The new plants were located outside the traditional investment areas, in other regions of the state of São Paulo and in the states of Bahia, Paraná, Rio Grande do Sul, Rio de Janeiro, Minas Gerais, and Goiás. One of the important motivations for companies to open plants in the periphery was, similar to Mexico, the desire to avoid the strong, conflictual unions that had formed in the traditional industrial areas.

The second wave of investment in the automotive industry was accompanied by a differentiation between unions representing workers in the old plants and unions representing workers in the new plants. The unions representing workers in the old plants were confronted with the challenges of industrial restructuring and the risk of investment flight. The new plants were opened with new technologies and new work organization concepts already in place, so restructuring was not a concern. However, as a result of different labor practices in the less industrialized regions and of the relative lack of collective bargaining experience of the labor unions, the workers in the new plants typically earned lower wages and had longer work-hours than workers in the old plants. Therefore, the main concerns of unions representing workers in the new plants were related to increasing wages, decreasing work-hours, and improving working

¹ The Real Plan was a set of measures introduced by Fernando Henrique Cardoso—Minister of Finance at the time, and subsequently, for two terms starting in 1995, President of Brazil—to address rampant inflation and stabilize the Brazilian economy. The Real Plan introduced a new currency and a quasi-fixed exchange rate. Large amounts of capital inflows in 1994 and 1995 resulted in an appreciation of the new currency and ensured the Real Plan's success at controlling inflation.

² A national program of investment incentives for motor vehicle manufacturers.

³ I include under the category "old plants" both the plants that were opened as part of the first wave of the 1950s and 1960s and those opened under the second wave of the 1970s, to differentiate them from the plants opened since the mid-1990s, which pertain to a particular political and economic context.

⁴ In the 1970s Fiat opened a plant in Minas Gerais and Volvo opened a plant in Paraná.

conditions.⁵ The new geography of investments and the differing sets of concerns for unions representing workers at the old plants situated in the core industrial regions and for unions representing workers at the new assembly plants situated away from the core industrial areas were similar across Brazil and Mexico.

In Brazil, the second wave of investment was followed by an increase in the level of cooperation within the labor movement. Mexico, on the other hand, experienced a decrease in cooperation within the labor movement. Two dimensions of cooperation are relevant in this study: cooperation among unions affiliated with the same labor central and cooperation among unions affiliated with different labor centrals. The second wave of investment in the automotive industries in Mexico and Brazil created a situation where cooperation between unions representing workers at the old plants located in the core industrial regions and unions representing workers at the new plants located in the periphery could facilitate bringing wages and work hours at the new plants closer to those at the old plants.

The structure of the Brazilian labor movement suggests a potentially more divisive environment than in Mexico. The Brazilian labor movement is dominated by two labor centrals,⁶ each of which controls approximately half of the auto workers' unions. In contrast, the Mexican labor movement is dominated by one labor central, which contains most of the auto workers' unions. Cooperation among unions affiliated with the same labor central is generally easier to achieve—based on a common or similar ideology, practices, and preferences—than cooperation among unions affiliated with different labor centrals. Therefore, the existence of two dominant labor centrals in Brazil and a single dominant labor central in Mexico makes even more puzzling the decrease in cooperation in Mexico and the increase of cooperation in Brazil.

Understanding the dynamics of the labor movement is important to understanding politics in Latin America. Through the 1980s, there was a rich body of political science literature on labor in Latin America (R. Collier and D. Collier 1979; Lange and Garrett 1986; Malloy 1977; Schmitter 1971; 1972; 1974⁷). In the 1990s and 2000s, a few authors continued to write on labor in Latin America (Anner 2003; 2006; R. Collier and D. Collier [1991] 2002; Cook 2002; Martin 2001; Middlebrook 1989; Murillo 2001), but overall the amount of comparative research on

⁵ In Brazil, according to a 2001 survey conducted by the Departamento Intersindical de Estatísticas e Estudos Socioeconômicos (Interunion Department of Statistics and Socioeconomic Studies, DIEESE) section of Confederação Nacional dos Metalúrgicos da Central Única dos Trabalhadores (National Confederation of Metalworkers affiliated with the Single Workers' Central, CNM/CUT), the main concerns of old-plant unions have been organizational and production restructuring and downsizing, while the main challenges faced by new-plant unions have been the organized presence of worker representatives—directly or indirectly linked to the union—inside the factories, wages and work hours. In Mexico, old-plant unions were also faced with organizational and production restructuring and with the threat or reality of downsizing. The wage situation, however, varied more than in Brazil. Having been functioning for longer than the new Brazilian plants, some of the new Mexican plants with a national-level union caught up or surpassed the old plants of the same company—for example Ford, in which the average monthly pay in the late 1990s was approximately USD 750 in the old car assembly plant and between USD 800 and 940 in the new car assembly plants. In the case of Nissan, on the other hand, the average monthly salary was USD 819 in the old car assembly plant compared to USD 411 in the new car assembly plant.

⁶ A labor central is a peak, national-level union organization that affiliates unions from different sectors of the economy. The dominant labor centrals in both Brazil and Mexico have national headquarters and state-level representations. In addition, Brazil has national level confederations and state level federations of unions per sector. Currently, there are parallel sectoral confederations and federations in Brazil affiliated with each one of the two dominant labor centrals.

⁷ The works cited through the 1980s are the seminal works. The body of literature on Latin American labor for this period is significantly larger.

trade unions decreased significantly. The emphasis in the political science literature on Latin America shifted to other topics such as relations between state and business actors, economic reforms, consolidation of democracy, legislatures, the judiciary, and federalism (Dominguez 1998; Geddes 1995; Gibson 2004; Helmke and Levitsky 2006; Mendez, O'Donnell, and Pinheiro 1999; Weyland 2004). Works addressing lower-class actors focused on ethnic, religious, and rural social movements (Hagopian 2008; Yashar 2005). This study seeks to address the gap in the literature on Latin American labor by offering new comparative insight into unionism in the automotive industry, a key economic sector.

In Mexico, most auto workers are represented by plant level unions that do not represent other categories of workers. In Brazil, due to legal constraints, auto workers are represented by metalworkers' unions, broader unions that also represent workers from other industrial subsectors but are dominated by auto workers. Since the 1970s, these unions have constituted an important, dynamic section of the labor movement and a point of reference to unions from other sectors of the economy. The militancy of Brazilian unions representing auto workers in the late 1970s and early 1980s was a crucial element in the country's transition to democracy in the 1980s. In Mexico, unions representing auto workers in the 1970s led a movement of labor union democratization and separation from the labor structures incorporated into the governing party. Since then, some of the radical unions from the 1970s have moderated and others have ceased to exist, but auto workers' unions have maintained their position as leaders and trend-setters in both the Brazilian and the Mexican labor movements throughout the following decades.

The importance of unions representing auto workers is related to the importance of the automotive industry in the two countries. Brazil and Mexico are the first and second largest automotive manufacturers in Latin America. Workers in car assembly plants are the most prominent in the automotive sector, which is part of the metalworking sector. At the end of the 1990s in Mexico, there were 1.6 million metalworkers, out of which an estimated 50,000 workers were employed in car assembly plants. In 1997, 1.3 million automobiles were produced in Mexico, which represented 8.3% of automobile production in North America, which in turn represented 29.1% of world automobile production. Of the 1.3 million automobiles produced in Mexico in 1997, approximately 350,000 were targeted at the domestic market and 950,000 were targeted for export. Between 1994 and 1998, over USD 10 billion, representing 40% of foreign direct investment in Mexico, was directed to the automotive industry. In the 1990s, automotive exports represented 20% of Mexican manufacturing exports (Juárez 2002: 52-60).

In 2006, 2.6 million automobiles were produced in Brazil. In 1997, a peak year, 1.94 million cars were sold in Brazil. In the 2000s, the annual value of automobile exports was approximately USD 12 million. Investments in car assembly plants in 2006 were estimated at USD 1.6 million. In the second half of the 2000s, the Brazilian automotive industry had an annual production capacity of 3.2 million cars. In 2007, the estimated number of metalworkers in Brazil was two million, out of which an estimated 300,000 were auto workers, with 100,000 employed in car assembly plants (CNM 2008).

This study argues that cooperation in the labor movement is affected by two interaction factors: whether or not the party in government is a left party and the association of the party in government with a labor central. The resulting two-dimensional party typology and the deriving hypotheses are illustrated in Table 1.1.

		Party in Government	
		<i>Not Left</i>	<i>Left</i>
Party in Government Associated with a Labor Central	<i>Yes</i>	• High cooperation within the labor central associated with the party in government • Low cooperation between labor centrals	• High cooperation within labor centrals • High cooperation between labor centrals
	<i>No</i>	• Low cooperation within labor centrals • Low cooperation between labor centrals	• Moderate cooperation within labor centrals • Moderate cooperation between labor centrals

Table 1.1
Two-Dimensional Party Typology and Hypotheses

The first set of hypotheses states that, if (a) the party in government is *not* of the left and (b) is associated with a labor central, this results in greater cooperation within that labor central and low cooperation between labor centrals. No significant effect is expected on cooperation within labor centrals not associated with the governing party. These expectations are based on the assumption that a party in power, whether left or not-left, is able to distribute political resources to the labor central with which it is affiliated. The pool of available political resources is expected to strengthen the link between the party and the labor central and generate greater cooperation within the central. A not-left party in power is expected to associate with the conservative sector of the labor movement in order to control labor and satisfy the demands of business supporters. The more cohesive the labor central is, the easier it is for the party in government to control it and therefore to control at least part of the labor movement. The party may also be interested in electoral support from the labor central with which it is affiliated, which can be more easily delivered by the central if it has a high level of internal cooperation. The party may grant political favors only if the central's structure and leadership foster a high level of cooperation within the central.

Political resources are not offered to other labor centrals, as a not-left party's constituency includes sizable non-labor actors such as business and therefore the party does not need the electoral support of the entire labor movement. Moreover, the further right the party is on the political spectrum, the more likely it is to antagonize the left sections of the labor movement, from which it is ideologically removed. As electoral support from the entire labor movement is not crucial, not-left parties in government do not have powerful incentives to move to the left of the political spectrum to appeal to the more progressive sectors of the labor movement. As a result, a not-left party in power does not play the unifying role for the labor movement that a left party in power plays. A not-left party in power does not facilitate cooperation between its

affiliated labor central and other labor centrals, and it does not affect cooperation within other labor centrals.

The second set of hypotheses states that, if (a) the party in government is of the left and (b) is associated with a labor central, the result is increased cooperation both within and between labor centrals. A left party is expected to be linked to the associated labor central by a common ideology. In addition, the ideological distance between a left party in power and the conservative sectors of the labor movement tends to be smaller than the ideological distance between a not-left party in power and the left sectors of the labor movement. When a left party is in government, it is dependent on labor as an electorate, which incentivizes the party to move to the right of the political spectrum in order to decrease the ideological distance to non-associated labor centrals. A left party in power has to appear more moderate, and the most convenient strategy for appearing more moderate is to appeal to not-left labor, the more moderate part of its own working class, thus generating a class appeal across labor groups. Both left and not-left parties have to also appeal outside the labor movement, but the left parties are more dependent on support from labor. The moderation occurring in a left party in power is expected to induce moderation in the associated labor central as well. As the associated labor central moderates, its strategies become more similar to those of more conservative labor centrals, which facilitates cooperation between labor centrals. Moreover, a left party in government offers political resources to the associated labor central as well as to other labor centrals. As in the case of not-left parties in government, left parties deliver resources in return for electoral support, which can be provided more easily by organizations with a higher degree of internal cooperation, and by the labor movement as a whole if the level of cooperation not only within, but also between labor centrals is high.

The third set of hypotheses states that, if (a) the party in government is *not* of the left and (b) is *not* associated with a labor central, this leads to decreased levels of cooperation within and between labor centrals. A not-left party in power does not depend on labor for electoral support and is therefore unlikely to foster cooperation between or within labor centrals. The party may still be interested in controlling labor to create a business and investment-friendly environment. However, the lack of an association with a labor central means that the mechanisms for incentivizing cooperation within a labor central outlined for the first set of hypotheses are not in place. Political favors may be granted to selected unions that are non-conflictual in labor-business relations and preferred by investors. Targeting political resources at specific unions as opposed to a labor central or the labor movement as a whole not only does not incentivize cooperation, but it may decrease it by creating animosities among unions from different as well as from the same labor central.

The fourth set of hypotheses states that, if (a) the party in government is of the left and (b) is *not* associated with a labor central, this results in moderate levels of cooperation within and between labor centrals. The lack of an association with a labor central suggests the absence of strong ideological links with any one labor central. Concomitantly, a left party in power needs the electoral support of the labor movement, which is likely to result in relationships with labor actors and the distribution of political favors to labor organizations. To this end the party may develop moderate links with one or several labor centrals, which may lead to a moderate level of cooperation within and between labor centrals.

II. Case Selection and Research Design

Intra-labor cooperation is examined in Brazil and Mexico over a period of two decades, 1990-2007, which facilitates solving the main puzzle of the study: Why does the level of cooperation in the labor movement evolve in different directions in Mexico and Brazil from the 1990s to the 2000s? The main level of cooperation under study is that among unions. Cooperation among unions affiliated with the same labor central is differentiated from cooperation among unions affiliated with distinct labor centrals. Cooperation among unions within or across labor centrals may be facilitated by labor organizations at different levels—for example, by state-level sectoral federations or by national-level sectoral confederations.

The study takes the cases of the auto workers' section of the labor movement in Brazil in the 1990s, in Brazil in the 2000s, in Mexico in the 1990s, and in Mexico in the 2000s, evaluates the level of cooperation in each one of the cases, and argues that the level of cooperation within a labor movement is primarily driven by the links between labor organizations and political parties.

Democratization and the Political Party System in Brazil. Most authoritarian regimes in Latin America lost power in the early 1980s. Brazil followed this pattern, with a return to democracy in 1985. Direct presidential elections were resumed in 1989. The level of institutionalization⁸ of the Brazilian party system continued to be low in the years following democratization, with the exception of the Partido dos Trabalhadores (Workers' Party, PT). Excluding the PT, the Brazilian party system continued to be characterized by uncertainty, a high number of floating voters, and a high level of electoral volatility (Mainwaring 1998: 79-80). However, especially since the second half of the 1990s, and more so with the election of Lula in 2002, the Brazilian democracy matured and stabilized (Mainwaring and Hagopian 2005: 10; Weyland 2005: 94).

Labor has been considered in the democratization literature as the most consistent democratizing actor (Rueschemeyer et al. 1992). Indeed, in Brazil, labor in general and metalworkers' unions in particular played an important role in the process of democratization. The strikes of the late 1970s and early 1980s were connected with wider spread popular dissent and contributed to the demise of the military regime in 1985 (Velasco 2008: 2).

In the late 1980s and early 1990s, the Brazilian party system underwent a process of fragmentation. In the second half of the 1990s Brazil experienced a political party "reconcentration," such that, by 1997, the five largest parties held 83.6% of the seats in the Chamber of Deputies (Hudson 1997). The largest political parties in Brazil were the PT, Democratas (Democrats, DEM), Partido do Movimento Democrático Brasileiro (Brazilian Democratic Movement Party, PMDB), Partido da Social Democracia Brasileira (Brazilian Social Democratic Party, PSDB), Partido Progressista (Progressive Party, PP), Partido Trabalhista Brasileiro (Brazilian Labor Party, PTB), Partido Liberal (Liberal Party, PL), Partido Socialista Brasileiro (Brazilian Socialist Party, PSB), Partido Popular Socialista (Socialist Popular Party, PPS), Partido Democrático Trabalhista (Democratic Labor Party, PDT), and Partido Comunista do Brasil (Communist Party of Brazil, PCdoB). In the 1990s, the parties in power in Brazil at the national level were, sequentially, the Partido da Reconstrução Nacional (National Reconstruction Party, PRN), PMDB, and PSDB, all not-left parties without a clear, consistent ideological

⁸ Institutionalization is defined as "the process by which a practice or organization becomes well established and widely known, if not universally accepted" (Mainwaring 1988: 67).

standing. In the 2000s, the party in power was the PT, a left party that underwent a process of institutionalization and moderation as a result of its experience in government.

The Structure of the Brazilian Labor Movement. The Brazilian labor movement comprised labor centrals—multisectoral, peak labor organizations—, sectoral confederations and federations, and sectoral unions. In the case of the metalworkers—the sector that includes auto workers—there were municipal level metalworkers’ unions, state level metalworkers’ federations, national level metalworkers’ confederations, and national level multisectoral labor centrals. Most unions were affiliated with a labor central. Most federations and confederations were also affiliated or associated with a labor central, especially since the creation of multiple federations and confederations per sector, which is discussed in Chapter 2. Confederations were comprised of federations and federations were comprised of unions.

During the period under study, there were eight labor centrals in Brazil,⁹ with Central Única dos Trabalhadores (Single Workers’ Central, CUT) and Força Sindical (Union Force, FS) as the dominant organizations. CUT had been created in 1983 and organically linked with the PT. CUT was a left central, more radical in the early years and undergoing a process of moderation throughout the 1990s and more pronouncedly in the 2000s. FS was created in 1992 as a legacy labor organization to the old official unionism. The ideological distance between CUT and FS was significant in the 1990s—with CUT on the left and FS on the right—and diminished in the 2000s. CUT had over 3,000 affiliated unions, including seven million union members and 22 million workers.¹⁰ FS had over 1,500 affiliated unions, including two million union members and 12 million workers. Of the two million metalworkers in Brazil, over 90% were represented by CUT and FS, with an even distribution between the two labor centrals.

Democratization and the Political Party System in Mexico. Mexico began its transition to democracy in the 1980s, but did not complete it until 2000, the year that marked the end of the Partido Revolucionario Institucional (Institutional Revolutionary Party, PRI) hegemony. In the 1970s, the PRI won most electoral races with a share of the vote larger than 90% and controlled virtually all seats in the two chambers of parliament. In addition, all states were governed by the PRI. By 1988, the PRI had less than two thirds of the seats in the Lower Chamber of Deputies, and by 1989, two state governments were no longer under the control of the PRI. There was also a decrease in the margin of votes in electoral races won by the PRI. The 1994 and 1996 electoral reforms granted opposition parties a better chance to compete in elections, by increasing access to campaign funds and to the mass media. In the 1990s, the Partido Acción Nacional (National Action Party, PAN) and the Partido de la Revolución Democrática (Democratic Revolution Party, PRD) started to win an increasingly large share of municipal and state elections in territories that had been previously controlled by the PRI. In 1997, an opposition majority was elected in the national Congress. In 2000, for the first time after 70 years, a president from a party other than the PRI was elected. The winner of the 2000 presidential elections was Vicente Fox from the PAN (Díaz-Cayeros et al. 2003: 2; Magaloni 2005: 124; 141; Mainwaring and Hagopian 2005: 10-11).

Labor had played a very limited role in Mexico’s process of democratization, partly explained by the history of incorporation of the main labor central into the party that ruled Mexico for more than 70 years before democratization. There were some strikes in the 1980s and

⁹ The number varied over the two decades as some labor centrals merged and others divided.

¹⁰ In Brazil, a union representing workers in a plant conducts collective bargaining for all the workers in the plant, including those that are not union members.

1990s, some of them in the automotive industry, but most of them did not have any significant results (Velasco 2008: 3).

By the 2000s, three large parties dominated the political scene in Mexico: the PRI, the PAN, and the PRD. The PRI was a not-left, populist party that held the presidency of Mexico between 1929 and 2000. The PAN, a party on the right of the political spectrum, started to gain ground in Mexican politics by winning municipal and state elections in the 1990s—with a focus on richer localities, primarily in the northern part of the country—and eventually the presidency in 2000. The PRD, a party left of the PRI on the political spectrum, also started to win municipal and state elections in Mexico in the 1990s, with more success in central and southern Mexico. A few other parties existed in Mexico, but they are not relevant for this study as they were small, acted in isolation or by forming local coalitions with one of the dominant parties, and did not have any influence on the labor movement (Merrill and Miró 1996).

The Structure of the Mexican Labor Movement. The highest level organization in the Mexican labor movement was a peak multisectoral labor organization that grouped several labor centrals, including the dominant labor central in the country. The structure of the Mexican labor movement also comprised labor centrals—multisectoral labor organizations—and labor unions which could vary in range from plant-level to multisectoral unions at a regional or national level. The Mexican labor movement did not include an equivalent to the Brazilian sectoral federations and confederations.

Labor had been incorporated in Mexico by the PRI, the party in power between 1929 and 2000. By the 1990s, the labor sector of the PRI was represented by the Congreso del Trabajo (Labor Congress, CT), an umbrella organization consisting of 34 labor entities, of which the most important was the Confederación de Trabajadores de México (Confederation of Mexican Workers, CTM). The CTM comprised over 11,000 labor unions and a total membership of over five million workers. In the 1990s and 2000s, the majority of auto workers' unions in Mexico—16 out of 18—were affiliated with the CTM. The second most important labor organization within the CT was the Federación de Sindicatos de Trabajadores al Servicio del Estado (Federation of Unions of Workers in the Service of the State, FSTSE), which affiliated 89 unions with a total membership of close to two million workers (Merrill and Miró 1996). Smaller labor centrals existed outside the CT. The most important one and most relevant for this study—as it affiliated one of the bigger auto workers' unions—was the Unión Nacional de Trabajadores (National Workers' Union, UNT), which was formed in the second half of the 1990s.

The two main explanatory factors hypothesized in this study are the type of party in government and its association with a labor central. Brazil and Mexico in the 1990s and 2000s provide instances of a not-left party in government associated with a labor central, a left party in government associated with a labor central, and a not-left party in government not associated with a labor central, allowing for testing of the first three sets of hypotheses. The cases selected do not include instances of a left party in government not associated with a labor central, which are not common in Latin America. Further research is necessary to identify cases that could be utilized to test the fourth set of hypotheses.

The comparative research design was selected to address alternative explanations. By analyzing the level of cooperation within the labor movement within each country over time, the legacy of labor incorporation and the resulting labor institutions are kept constant. Evaluating cooperation among unions representing workers at different plants of the same company across two countries—as well as comparing cooperation within companies of different origins and

cultures in the same country—allows me to evaluate the alternative explanation of transnational labor linkages.

To control for economic factors, I selected two national economies that, within Latin America, are comparable in size, have undergone periods of bust and boom in the automotive industry at the same time over the past two decades, and have had similar experiences with the attraction and distribution of foreign direct investment, which covers 95% of the vehicle assembly industry in both countries.

Tables 1.2 and 1.3 introduce the automotive plants located in Mexico and Brazil, respectively. As the two tables illustrate, most of the old automotive factories from the first wave of investment were located in the core industrial areas, while most of the new automotive factories from the second wave of investments were located in the periphery, outside of the traditional industrial areas.

Cas e No.	Company	Product	Locality	State	Wave of Investment	Union (labor central affiliation)
1	Volkswagen	Cars	Puebla	Puebla	Old/Core	UNT
2	General Motors	Trucks	Toluca	Estado de México	New/Periphery	CTM
3	General Motors	Cars	Ramos Arizpe	Coahuila	New/Core	CTM
4	General Motors	Engines	Ramos Arizpe	Coahuila	New/Periphery	CTM
5	General Motors	Cars	Silao	Guanajuato	New/Periphery	CTM
6	Chrysler	Pickups	Mexico City	DF	Old/Core	CTM
7	Chrysler	Cars	Toluca	Estado de México	Old/Core	CTM
8	Chrysler	Trucks	Saltillo	Coahuila	New/Periphery	CTM
9	Chrysler	Cars	Ramos Arizpe	Coahuila	New/Periphery	CTM
10	Ford	Cars	Cuautitlán	Estado de México	Old/Core	CTM
11	Ford	Engines	Chihuahua	Chihuahua	New/Periphery	CTM
12	Ford	Cars	Hermosillo	Sonora	New/Periphery	CTM
13	Renault	Cars	Gomez Palacio	Durango	New/Periphery	CTM
14	Nissan	Cars	Cuernavaca	Morelos	Old/Core	Independent
15	Nissan	Cars	Aguascalientes	Aguascalientes	New/Periphery	CTM
16	Honda	Cars	El Salto	Jalisco	New/Periphery	CTM
17	Toyota	Cars	Tijuana	Baja California Norte	New/Periphery	CTM
18	BMW	Cars	Amomolulco	Estado de México	New/Core	CTM

Table 1.2
Overview of the Mexican Automotive Sector

Case No.	Company	Product	Locality	State	Investment Wave/Location Type	Union (labor central affiliation)
1	Volkswagen	Cars, light commercial vehicles	São Bernardo do Campo	São Paulo	First/Core	CUT
2	Volkswagen	Cars	Taubaté	São Paulo	First/Core	CUT
3	Volkswagen / Audi	Cars, light commercial vehicles	São Jose dos Pinhais	Paraná	Second/Periphery	FS
4	Volkswagen	Cars, buses	Resende	Rio de Janeiro	Second/Periphery	Independent (leaning CONLUTAS)
5	Volkswagen	Engines	São Carlos	São Paulo	Second/Periphery	Composition CGTB and CUT
6	General Motors	Cars, light commercial vehicles	São Jose dos Campos	São Paulo	First/Core	CONLUTAS
7	General Motors	Cars	São Caetano do Sul	São Paulo	Second/Core	Composition FS and CUT
8	General Motors	Cars	Gravataí	Rio Grande do Sul	Second/Periphery	FS
9	Daimler/Chrysler	Trucks, buses	São Bernardo do Campo	São Paulo	First/Core	CUT
10	Daimler/Chrysler	Cars	Juiz de Fora	Minas Gerais	Second/Periphery	CUT
11	Daimler/Chrysler	Testing Field	Campinas	São Paulo	First/Core	Intersindical
12	Ford	Cars, light commercial vehicles, trucks	São Bernardo do Campo	São Paulo	First/Core	CUT
13	Ford	Engines	Taubaté	São Paulo	First/Core	CUT
14	Ford	Cars, light commercial vehicles	Camaçari	Bahia	Second/Periphery	CUT
15	Renault	Cars, light commercial vehicles	São Jose dos Pinhais	Paraná	Second/Periphery	FS
16	Fiat	Cars, light commercial vehicles	Betim	Minas Gerais	First/Periphery	CUT
17	Iveco/ Fiat	Light commercial vehicles, trucks, buses	Sete Lagoas	Minas Gerais	Second/Periphery	CUT
18	Peugeot/Citroen	Cars, light commercial vehicles, trucks	Porto Real	Rio de Janeiro	Second/Periphery	Independent
19	Toyota	Cars	Indaiatuba	São Paulo	Second/Core	Intersindical
20	Honda	Cars	Sumaré	São Paulo	Second/Core	Intersindical
21	Mitsubishi	Light commercial vehicles	Catalão	Goiás	Second/Periphery	FS
22	Volvo	Trucks, buses	Curitiba	Paraná	First/Periphery	FS
23	Scania	Trucks, buses	São Bernardo do Campo	São Paulo	First/Core	CUT
24	Agrale	Trucks	Caxias do Sul	Rio Grande do Sul	First/Periphery	CUT
25	Agrale	Trucks, buses	Caxias do Sul	Rio Grande do Sul	First/Periphery	CUT

Table 1.3
Overview of the Brazilian Automotive Sector

Brazil has 25 automotive plants, while Mexico has 18. As the Brazilian domestic market is larger than the Mexican domestic market, a greater percentage of cars assembled in Brazil are destined to the domestic market than in Mexico. In Mexico, a majority of cars are assembled for exportation to the United States. As cars assembled in Mexico primarily target the United States market, the main multinational automotive corporations located there are headquartered in the United States. In the case of Brazil, the domestic—and most important target market—has a preference for both United States and European cars. As a result, Brazil has a comparable number of United States-based multinational automotive corporations and a significantly higher number of Europe-based multinational automotive corporations than Mexico. Consequently, the total number of automotive plants in Brazil is higher than in Mexico.

III. The Outcome of Interest: Cooperation within the Labor Movement

Cooperation within the labor movement can be an important pre-requisite for achieving better conditions and salaries for workers across old and new plants. When studying the level of cooperation within the labor movement, there are two important dimensions to address:

- 1) Within a labor central.
- 2) Across labor centrals.

The sets of hypotheses advanced by this study explore how the interaction between the type of party in government and the association of the party in government with a labor central affects each one of these two dimensions of cooperation.

Cooperation within a labor central is more natural and can be expected to occur regardless of the party in government and its association with a labor central. However, as we shall see in the case of Mexico, levels of cooperation within a central can vary as the ties between the central and political parties change.

Four indicators are used to evaluate the level of cooperation with the Brazilian and Mexican labor movements in the 1990s and the current decade. An increase in joint projects across labor unions, joint actions, and union networks¹¹ indicates an increasing level of cooperation. An increase in conflicts of representation¹² indicates a decreasing level of cooperation.

The automotive section of the Mexican labor movement experienced a decrease in cooperation between the 1990s and the 2000s. The 1990s were characterized by high levels of cooperation within the dominant labor central and low levels of cooperation between labor centrals. During this decade, auto workers' unions did not undertake any significant joint projects or actions. Union networks were present in the form of two national-level auto worker unions. Conflicts of representation existed between unions affiliated with the CTM and unions outside the CTM, either independent or associated with smaller labor centrals. Open conflicts of representation among unions affiliated with the CTM were virtually non-existent. Overall, cooperation within the CTM was high, corresponding to a highly centralized organization

¹¹ Union networks are groups of unions which may be affiliated with the same or with different labor centrals. Often union networks are composed of unions representing workers at different plants of the same multinational automotive corporations, but they may also include unions representing workers at different companies. Union networks typically organize period meetings, exchange information, and offer support to each other.

¹² Conflicts of representation refer to conflicts among different groups, each of which can be independent or associated with a labor central, that seek control over a union and, implicitly, the right to represent the workers at a particular plant.

wherein the national hierarchy made decisions that were diffused and respected throughout the state branches of the central and the affiliated unions. Cooperation between CTM-affiliated unions and unions outside the CTM was low.

In the 2000s in Mexico, cooperation between CTM and non-CTM unions continued to be low. There was an attempt to create a forum for increased collaboration among Mexican automotive unions, but this attempt failed. Cooperation among labor centrals remained at a low point, while a decrease in the level of cooperation within the CTM resulted in an overall decrease in the level of cooperation within the Mexican labor movement. One of the national unions disintegrated in the aftermath of a representation conflict between two CTM groups—the leadership of the national union and the local leadership in one of the plants. Additional conflicts of representation among different groups affiliated with the CTM pointed to a decline in cooperation among CTM-affiliated unions, which was due in part to the weaker links between the labor central and the PRI.

Brazil in the 1990s was a case of high cooperation within one of the dominant labor centrals, moderate cooperation within the other dominant labor central, and low cooperation across the two labor centrals. As approximately half the unions representing auto workers in Brazil were affiliated with each of the two dominant labor centrals, the low level of cooperation between the centrals resulted in an overall low level of cooperation in the Brazilian labor movement in the 1990s.

In the 1990s in Brazil, joint projects and actions were virtually non-existent across the two labor centrals, with the exception of the sectoral chamber and automotive sectoral agreement experiences of the early 1990s, when the federal government brought together labor and business actors to discuss industrial policy for the automotive sector. However, representatives from one of the two dominant labor centrals refrained from attending all the meetings and the presence of both labor centrals—to the extent that it occurred—did not evolve into any further joint actions.

Union networks existed only in the form of active parallel state federations and a parallel confederation of metalworkers¹³ created by one of the labor centrals. The parallel federations and confederation enhanced cooperation among labor unions affiliated with that labor central while deepening divisions between the labor centrals. This was reflected in the high number of conflicts of representation between unions affiliated with different labor centrals. Virtually all unions representing workers at new automotive plants in areas that did not previously have any vehicle assembly plants experienced bitter struggles for power, both judicial and electoral, between groups affiliated with different labor centrals.

In the 2000s in Brazil, as the more conservative labor central started to adopt some of the practices of the formerly rival central—including more focus on training, congresses, seminars, and workshops—its intra-central cohesion started to increase as well. Even more surprisingly, given the antagonistic relationship between them in the 1990s, cooperation between the two labor centrals increased significantly in the 2000s.

The main joint project that brought the two dominant Brazilian labor centrals to work together in the 2000s was a push for centralizing collective bargaining, with the goal of leveling salaries and working conditions across new and old plants. In the Brazilian automotive sector,

¹³ It should be noted that, in accordance with the Brazilian official labor structure, each industrial sector should have one federation at the state level and one confederation at the national level. In the automotive sector, the official confederation was associated with FS; the same applied to the official federation of metalworkers in the state of São Paulo. In 1992, CUT created a second confederation of metalworkers as well as a federation of the metalworkers of the state of São Paulo outside the official structures.

state-level collective bargaining already existed in some of the states. In the 2000s, the two dominant labor centrals coordinated their efforts towards achieving national-level collective bargaining in the automotive sector. The actions the two centrals undertook separately and together towards this common goal constituted significant evidence of the increasing cooperation between them.

Union networks also evolved in Brazil in the 2000s compared to the 1990s. In 2005, the parallel federations and confederations of metalworkers affiliated with CUT gained official recognition from the Department of Labor, having obtained the agreement of the competing confederation and federations associated with FS. The parallel federations and confederations no longer constituted a basis of division among unions affiliated with the two centrals. On the contrary, many of the joint actions related to the national-collective bargaining project were organized by the federations and confederations. Moreover, national networks of unions affiliated with different labor centrals were created at the company level. Conflicts of representation still existed in Brazil in the 2000s, but the number of conflicts of representation between groups associated with the two dominant labor centrals decreased significantly.

Overall, between the 1990s and the 2000s, the automotive sector of the Mexican labor movement underwent a decrease in the level of cooperation, marked by the decrease in cooperation within the CTM. Over the same period, the corresponding sector of the Brazilian labor movement experienced an increase in the level of cooperation, marked by the increase in cooperation between unions affiliated with CUT and unions affiliated with FS.

IV. Mapping the Cases onto the Explanatory Framework

While the economic conditions in the automotive industry were similar across the two countries, important changes took place on their political scenes between the 1990s and the 2000s. In Brazil, the PT—linked organically with CUT since its founding in the early 1980s—gained space in the political arena, first at the municipal and state level and eventually at the federal level, culminating with the election of Luiz Inácio Lula da Silva as president of the Republic in 2002. In Mexico, the PRI, closely linked to the CTM throughout its years in power, was voted out of the federal government in 2001.

Brazil in the 1990s and Mexico in the 1990s are cases that illustrate the first set of hypotheses. Brazil in the 1990s was ruled by parties that were either on the right of the political spectrum or were in coalition with the right. These parties did not have any labor central affiliated with them. However, they were associated with FS.¹⁴ CUT, the other dominant labor central in the Brazilian labor movement, was affiliated with the PT, which found itself in the opposition. The political favors that the parties in government in the 1990s extended to FS promoted cooperation within the labor central by creating a common identity among FS-affiliated unions based on supporting the same political party for pragmatic gains. The PSDB in particular, the party that was in power in the second half of the 1990s, favored FS unions as they were considered more conservative and more business-friendly than CUT unions. As a center-right party in government, the PSDB did not extend any favors to CUT unions. FS unions were facilitating a climate attractive to investors, and other organized sectors such as business offered

¹⁴ FS is not officially affiliated with any one political party. However, throughout the 1990s it had close links with the center-right parties in government.

their electoral support to the party in government. As a result, the PSDB did not seek the electoral support of the entire labor movement.

In Mexico, the PRI was in power throughout the 1990s. As has been documented in the literature, the PRI had already started to change, as had its relationship with the CTM. The PRI remained in government at the federal level and maintained its capability to promote labor union representatives within the government apparatus. These CTM labor leaders came to form part of the executive branches at the municipal and state levels and part of the legislative branches at the state and national levels. However, the relationship between the party leadership and the CTM national leadership remained strong. This relationship continued to generate a common identity based on pragmatic gains within the CTM and facilitated the centralized nature of the labor organization. Until the late 1990s, all state, regional, and local level labor organizations affiliated with the CTM were subordinated at the national level to directives from the national leadership—with the latter, in turn, subordinated to the PRI.

Brazil in the 2000s is a case that illustrates the second set of hypotheses. In Brazil, a labor party, the PT, came to power, first at the local level, then at the state level, and finally, in 2002—and then again in 2006—at the national level. Consequently, the PT became increasingly more institutionalized and more moderate. The moderation of the PT and the ensuing moderation of the CUT were part of the first mechanism through which a left party in government affiliated with a labor central increases the level of cooperation within the labor movement. Within the party, the mainstream faction, “Articulação” (Articulation), grew increasingly dominant to the point of becoming hegemonic. Meanwhile, smaller, more radical factions became marginalized and some ended up leaving the party. The developments within the labor central affiliated with the labor party mirrored those within the party. The mainstream faction of the CUT, also named “Articulação” (Articulation), grew increasingly dominant. The more radical factions—some affiliated with factions that left the labor party, others affiliated with smaller radical parties that were not co-opted into governance by the labor party—seceded from the labor central. Moderation on the part of the CUT drew it closer in its practices to its rival from the 1990s, the FS. At the same time, CUT’s moderation meant union strategies vis-à-vis business actors were more focused on informed negotiation and a higher willingness to compromise.

While in the 1990s in Brazil and Mexico the not-left parties in power tried to moderate the labor movement by counterbalancing the left labor centrals, in the 2000s in Brazil, as a result of the moderation of the left party in power, the left central affiliated with it also moderated. As a result, the labor movement as a whole converged on a moderate set of strategies and cooperation between labor centrals increased.

There is a second mechanism through which a left party in government affiliated with a labor central increases the level of cooperation between labor centrals. A labor party coming to power needs the political support of all labor sectors, including those not traditionally affiliated with it. Thus, it pushes for a greater cohesion of the labor movement, as was the case of Brazil in the 2000s.

In his second term as president of Brazil, Luiz Inácio Lula da Silva needed a broader base of support. He came from the ABC Metalworkers’ Union, the strongest union within CUT, which in turn closely identifies with the Workers’ Party. Under the first Lula administration, labor leaders were involved in governance mainly via the Department of Labor. As an example, in the latter part of the first Lula administration, Luiz Marinho, former president of the ABC Metalworkers’ Union and of CUT, was Minister of Labor. Under the second Lula administration,

Luiz Marinho was moved to the Department of Social Security, while several key positions in the Department of Labor, including that of minister, were given to union leaders linked to FS. Moreover, the Lula government called to the table the two main labor centrals—CUT and FS—to discuss together the project for labor reform in order to gain credibility, transparency, and to increase the probability of passing the reform.

Cooperation within CUT, the labor central affiliated with the left party in government, also increased in the 2000s, influenced by the central's moderation. This increase in cooperation within the labor central was reflected in collaboration between CUT unions representing workers in the old plants situated in core industrial areas and CUT unions representing workers in the new plants situated in the periphery. Unions representing workers in the old plants had a high success rate in maintaining their bases of representation and, thus, their capability to pursue their interests. Unions representing workers in the old plants were interested in increased cooperation within the labor movement. Actions such as strengthening the new plant unions and pursuing a more centralized form of collective bargaining were likely to lead to lower differences in compensation and working conditions between old and new plants, and thus a lower risk of investment flight for the old plants. Unions representing workers in the old plants in Brazil, as opposed to Mexico, had not only the desire, but also the capability to increase cooperation within their national labor movement.

In both countries, multinational automotive corporations threatened to shut down or downsize operations at the old plants unless the unions were willing to accept labor flexibilization measures in a process of industrial restructuring. The survival of the old plants, and oftentimes of the unions representing workers at these plants, was conditioned by the willingness of unions to partially compromise with business. In Brazil, the capabilities for adjustment of most old plant unions were high, as these unions accepted some compromises and made a transition from radical to moderate. They were successful as proven by the new investments made in the plants whose workers they represented, and by their continuing base of representation.

In Mexico, the capabilities for adjustment of most old plant unions were low, as these unions remained radical, unwilling to compromise with business. Their plants did not receive new investments—some closed down—and the unions' base of representation shrank or disappeared. Radical unions were skeptical about collaborating with moderate and conservative unions.¹⁵ Unions whose base of representation was reduced did not have enough power to initiate and maintain cooperative actions. Unions representing workers in the new plants were not vested in leading a unifying movement in the same way as old-plant unions, as the risk of investment flight to a different region within the same country was significantly lower.

While Brazil in the 2000s shows how a labor party in power affiliated with a labor central increases cooperation with the labor movement, Mexico in the 2000s illustrates the third set of hypotheses. The PAN, the right wing party in office in Mexico since 2001, had the electoral support of non-labor organized groups such as business actors, and consequently did not need the support of labor. However, it needed to control labor in order to increase Mexico's attractiveness to foreign investors. Since it was not associated with any labor central in the way that PSDB was associated with FS in Brazil in the 1990s, the PAN government in Mexico chose to extend favors to specific unions within the CTM. This practice encouraged conflicts of representation and disunity among the labor movement in general and within the CTM in particular. The specific

¹⁵ Moderate unions are less skeptical about collaborating with conservative unions.

unions informally selected to partner with the PAN government were representative of the “new labor culture” that was the hallmark of government-union relations in Mexico in the 2000s. The “new labor culture” reflected the PAN government’s interest in an environment free of strikes or other potential labor conflicts. The unions deemed to deliver such labor stability were granted government support in the form of rights of representation over other unions.

The actions of the PAN in power in relation to the labor movement were complemented by the consequences of the PRI leaving power at the federal level. As the PRI was no longer in government at the national level, the CTM lost its former position as a powerful political actor. Moreover, while the CTM continued to be officially linked to the PRI, the relationship between the party and the labor central was becoming looser. The CTM could no longer deliver the votes of its members, and the PRI could no longer deliver positions in government. The loosening of the political links led to increased decentralization within the CTM structures, as the national leadership became only nominally subordinated to the PRI. While local CTM union leaders continued to count on support from national level leaders, this support became divided. Sectors or individuals that formed part of the national leadership supported different leaders at the local level, often in the context of competition over representation.

The combined actions of the PAN in power and lack of actions of the PRI out of power led to dispersion and organizational fragmentation within the CTM. Outside the CTM, the independent unions and unions affiliated with small progressive labor centrals were never affiliated with a political party and, as a result, experienced little cooperation in the 1990s as well as in the 2000s.

The level of cooperation in the automotive sections of the Brazilian and Mexican labor movements in the 1990s and the 2000s, and the hypothesized explanatory factors are explored in detail in the following chapters. Chapter 2 introduces the institutional framework and discusses the opportunities and constraints to cooperation that this framework provides. Chapter 3 presents evidence for the increase in cooperation from the 1990s to the 2000s in the Brazilian labor movement. Chapter 4 provides evidence for the decrease in cooperation from the 1990s to the 2000s in the Mexican labor movement. Chapter 5 explains the change in cooperation from the 1990s to the 2000s in Brazil, while chapter 6 completes the same task for Mexico. Chapter 7 is a discussion of the findings in light of the empirical evidence presented in the previous chapters.

Chapter 2

The Institutional Framework: Old Laws, New Politics

“Labor law is a highly visible and concrete policy statement around which political battles are fought, won, and lost, and around which political support is attracted, granted, and withheld . . . labor law thus provides a valuable point of reference for analyzing the larger political context”
(Collier and Collier 1979: 971).

I. Introduction

For an accurate measurement of cooperation in Brazil and Mexico, it is necessary to understand the rules and regulations that govern labor in each country, as well as their evolution. The types of joint projects, joint actions, union networks, and conflicts of representation are limited by the country’s institutional framework. For example, the monopoly of representation at the municipal level exists in Brazil, but not in Mexico. As a result, two unions may compete for representation rights in a Brazilian plant only by raising a judicial claim that they had the municipality as a territorial base prior to the rival union. In Mexico, two unions can compete for representation rights in a factory by demanding a recount of worker preferences.

As mentioned in Chapter 1, the differing structures of the Brazilian and Mexican labor movements led to expectations of higher cooperation in Mexico, where there was a single dominant labor central, and lower cooperation in Brazil, where there were two dominant labor centrals. Nevertheless, in the 2000s, the level of cooperation in the Brazilian labor movement was higher than in Mexico. More generally, the Mexican and Brazilian legal frameworks for labor represent two ends of a spectrum in the Latin American context: the former is significantly more favorable to workers and trade unions than the latter. However, *political* changes in the two countries have produced a labor-friendly climate in Brazil and a labor-unfriendly climate in Mexico. In both cases, there have been initiatives—from different sides—to modify the labor code. Although some changes have been implemented, no major law reforms have passed in either country. While the legal framework is important enough for actors to push for revision, labor practices have evolved beyond legal constraints and moved in different directions in the cases under study.

This chapter traces the path leading to the current structure of each labor movement and describes the innovative strategies used by Brazilian labor actors to circumvent legal challenges and the restrictions that Mexican labor actors face in applying the provisions of the labor code.

Labor’s capacity to circumvent institutions in Brazil was given in part by the links between unions and political parties, the driving factor of cooperation in the labor movement

which is discussed in Chapters 5 and 6. Labor's ability to sidestep legal challenges was correlated with the increase in cooperation in the Brazilian labor movement in the 2000s.

II. The Origins of the Labor System

II.A. The Origins of the Labor System in Brazil

The origins of the current Brazilian labor system date back to the organizational framework that Getúlio Vargas established through decree laws during the Estado Novo. The body of labor laws of the Vargas era was compiled in the *Consolidação das Leis do Trabalho* (Consolidation of Labor Laws, CLT) on May 1, 1943. This body of legislation was conceived to establish the basic structural outlines for labor organizations and regulate their political and economic activity. According to these laws, three institutions were meant to regulate state-labor relations in Brazil: the unions, the social security system, and the labor-court system. The unions were meant primarily to provide workers with certain social services and to collaborate with the government. Secondly, they were meant to voice the concerns of workers in the political arena.

According to the monopoly of representation principle, only one union may represent workers from an economic sector as defined by law in a given municipality. There is a symmetry of structures for employees and employers' unions.¹⁶ The primary source of financing for unions was supposed to be the mandatory union tax, which all workers had to pay, regardless of membership status. The social security system, devised to provide modern social welfare services to formal workers, is referred to only briefly in the CLT and is organized in a separate body of law. The financing of the social security system was supposed to derive from equal contributions from workers, employers, and the national government. The system of labor courts—devised as tripartite institutions in which some of the judges were nominated by workers' unions and some by employers' representatives—was supposed to settle both individual and collective conflicts between employers and employees.

The framework for Brazilian labor relations was created with the idea of pervasive state involvement in labor relations, both through the executive branch by way of the Ministry of Labor, and through the legislative branch by way of the labor courts. Official state recognition enables unions to undertake basic activities which are denied to unrecognized labor organizations. Article 513 of the CLT entitles legally recognized Brazilian unions to represent the interests of the category or of its members before the administrative and judicial authorities, in order to negotiate collective labor contracts and to impose dues upon their members.

For recognition, the CLT requires that an association of workers or employers present statutes providing for acceptable election procedures, administration of its property, and rules for its dissolution. If two associations in the same area apply for recognition, the Ministry of Labor is to select the most active. Criteria for determining the most active entity are the number of members, the social services offered, and the value of its property. Therefore, the executive branch of government has the prerogative of determining whether a union can represent a group of workers, as well as fixing its dues and allocating its expenditures. The Ministry of Labor also determined the criteria of eligibility required for those holding union positions.

Erickson (1977: 29-46) calls the organization chart of official labor bodies “a truncated pyramid,” since it provides for separate confederations for the seven principal sectors of the

¹⁶ Unless noted otherwise, the term “union” in this study refers to workers' unions.

economy but not for a central labor organization that would preside over these seven and speak on behalf of the entire working class.

Amadeo and Camargo (2007: 157-180) describe the limited changes to the CLT from 1943 to 2007. The monopoly of representation principle, the mandatory union tax, the extralegality of labor centrals,¹⁷ and the potential for state intervention in labor relations allowed by the law—including the authority of the Ministry of Labor to intervene in unions and supervise collective bargaining—are pillars of the Brazilian labor code maintained throughout the entire period.

Monopoly of Representation Principle. The guiding principle behind the Brazilian CLT logic of union organization is the monopoly of representation principle, addressed in Article 516 of the CLT. The principle states that there may be no more than one union per economic sector per municipality. This union structure combines sectoral and territorial elements into a model designed to include all formal workers and assign each one of them to a particular union. The CLT sectoral division of the economy originally comprised the following categories: industry; commerce; river, maritime, and air transport; land transport; communications and advertising; banking and insurance; education and culture. Territorially, the CLT provides for three hierarchical levels of union organization: the union, at the municipal level; the federation¹⁸, at the state level; and the confederation¹⁹, at the national level.

A worker has a choice whether to become unionized, but if a decision to join a union is made, the only alternative is the union with representation rights in the worker's municipality and economic sector, as defined by the CLT. In addition, regardless of membership status, the collective bargaining agreement that the union may sign with the employer will automatically cover all employees.

In some cases, a union can cover several municipalities. If a new plant is opened in a location where there are no unions for the corresponding economic sector, the workers are automatically represented by the corresponding federation. If there is no federation either, then they are represented by the national confederation for that sector. However, if a new union is established at the level of the municipality, it has legal precedence over the union covering several municipalities and over the confederation and federation—although the union will be affiliated with its corresponding federation and confederation. The monopoly of representation principle applies to federations and confederations as well, as there may be no more than one federation per economic sector per state and no more than one confederation per economic sector at the national level. The CLT allows, in some particular cases, for federations and sometimes unions at the national level. However, even in these cases, the monopoly of representation principle still applies. Moreover, the preferred and predominant model is that of municipal unions and state federations. This organizational model featuring precise guidelines for the incorporation of all formal workers was designed as an instrument of state control over the labor movement.

Mandatory Union Tax. Articles 578-610 of the CLT define the mandatory union tax, yet another tool enabling state control over the unions. Equivalent to one day's pay per year, it is collected in March from all workers that can be organized regardless of whether or not they are

¹⁷ The labor centrals gained legal recognition in 2008. Nevertheless, I include them here because they functioned and exercised considerable political power illegally or extralegally for almost thirty years.

¹⁸ A federation is composed of at least five unions from the same economic sector, in the same state.

¹⁹ A confederation is composed of at least three federations from the same economic sector.

union members. Before 1965, receipts from the trade-union tax were distributed as follows: 54% to the union, 15% to the federation, 5% to the confederation, 20% to the Social Labor Fund, and 6% to the Bank of Brazil. In 1965, the government abolished the Social Labor Fund, and a National Department of Employment and Wages absorbed its share. The bank transferred the remainder to the respective unions, which in turn passed on the stipulated proportion to the appropriate federation and confederation (Erickson 1977).

Currently, 60% of receipts from the mandatory union tax are distributed directly to the union, 15% to the federation, 5% to the confederation, and 20% to the Ministry of Labor, which passes it on to Fundo de Amparo ao Trabalhador (Support Fund for Workers, FAT). Following the official recognition of the labor centrals, of the 20% that goes to the Ministry of Labor, half is passed on to the labor central.

Labor Courts. Designed as yet another instrument of state control, the Brazilian labor courts, on which state-sanctioned union representatives were guaranteed a position, were created in conformity with the Decree Law 1,237 of May 12, 1939. Originally, the labor judiciary had the intended role of substituting collective bargaining as well as the more general role of arbitrating protests and grievances (Pencavel 1996: 7-8).

The labor tribunal hierarchy has three levels. The lowest are the boards of conciliation, consisting of three judges: a professional one, one named by the employers' union, and one named by the workers' union of that particular jurisdiction. The middle level is the Regional Labor Tribunal, covering one or several states and composed of five judges: three professional, one named by the employers, and one named by the workers. The highest level is the Superior Labor Tribunal, located in the nation's capital and consisting of seventeen judges: eleven professional, three representing the employers, and three representing the workers. The only level higher than the Superior Labor Tribunal is the Supreme Court. The level that would most commonly act in lieu of a collective bargaining system is the Regional Labor Tribunal.

Labor unions, in particular those affiliated with CUT and in general the more traditionally progressive labor unions have argued that the mandatory union tax contributes to the financing of unions that do not offer their workers real representation as reflected by the low membership. They assert that this tax reinforces state control of the unions. Likewise, the monopoly of representation principle in some cases perpetuates old, official, non-representative unions and makes it hard for groups that are truly representative of the workers to gain lawful control of the existing union. Further, state intervention when pro-business parties are in power skews the balance between business and labor. Nevertheless, other unions perceive the mandatory union tax as crucial to their financial viability and the monopoly of representation principle as an element that strengthens unions by preventing their fragmentation. These divergent opinions within the labor movement have contributed to a perpetuation of these principles in the body of law.

II.B. The Origins of the Labor System in Mexico

The Mexican labor relations model of intense state involvement and a prevalence of labor unions closely linked to the ruling party originated in the 1930s under the presidency of Lázaro Cárdenas. An important element of the model was the ruling party's inclusion of functional representation for labor, peasant, and "middle" sectors. The CTM was formed in 1936 and eventually affiliated with the PRI.

Mexican labor law is based on Article 123 of the Mexican Constitution of 1917 and on the Ley Federal del Trabajo (Federal Labor Law, LFT) of 1931. Both documents have undergone some modifications over the years. Nevertheless, the core principles are largely unchanged. Article 123 of the Constitution of 1917 was very labor-friendly provisions, especially for its time, including the right to strike, the right to an eight-hour day, a living wage, overtime, maternity leave, and profit sharing (Bensusán 2000: 85-92).

The LFT addresses labor issues in more detail. A much-contested distinction is drawn between private-sector and public employees. The latter category faces constraints on union formation, bargaining, and strikes. The Mexican private sector, on the other hand—of which the auto workers are a part—has had many more legal possibilities than has its Brazilian counterpart with regard to union types. While in Brazil the monopoly of representation principle prescribes an exclusive territorial and sectoral basis for a union, in Mexico virtually any group can form a private sector union, and, in theory, that union can represent workers from one or several plants, in one or several states, in one or several sectors.

The pillars of the old corporatist structure in Brazil—the monopoly of representation principle, the mandatory union tax, the extralegality of labor centrals, and the labor court system—have limited counterparts in Mexico.

Monopoly of Representation Principle. In Mexico, there is a monopoly of representation principle only at the plant level, stating that only one union can represent workers at any one factory. However, there is no monopoly of representation above the plant level. The legal framework for establishing a union is much more flexible. Article 360 of the LFT specifies the types of labor unions that may be formed: craft unions, firm-level unions, industrial unions, national industrial unions, and cross-industrial unions. Article 381 of the LFT also permits regional, state, and national federations and state and national confederations.

In spite of minimal obstacles to the type of union that may be created from either a territorial or a sectoral standpoint, Mexican unions have rarely been able to use the democratic legal framework to ensure that the workers' preferred union obtains representation rights. Official recognition and the legality of union competition are virtually meaningless unless the union is awarded representation rights for the particular group of workers that it seeks to represent. The procedure involves a state official going to the workplace and counting the workers who support the newly created union. As this procedure is performed publicly, there is ample room—as iterated by several informants—for pressure to opt for the union preferred by the employer which, in most cases, coincides with the union preferred by the state. In the rare cases in which the democratic letter of the law is implemented in good faith, there is often almost complete disruption between the union that goes out and the one that comes in. As knowledge, experience, practices, and strategies are not passed on, the new union, while representative in the sense that it has the support of a majority of the workers, has difficulty representing its members in the most efficient way. The union representing workers at the Volkswagen plant in Puebla has recently undergone this situation when the union leadership changed in the aftermath of the elections held in 2007.

The Lack of a Mandatory Union Tax and the Exclusion Clause. In Mexico, the law does not provide for any mandatory union taxes. However, the Mexican exclusion clause is analogous to the Brazilian mandatory union tax. The exclusion clause is another mechanism that allows unions to maintain internal control. Through the use of an exclusion clause, the company agrees to hire only union members and to fire any workers who have been expelled by the union

(Middlebrook 1995). Even in plants where free and fair union elections are held, it is common practice that whenever a new group wins union elections, all the previous union leaders are fired from the plant. This is common practice, for example, at the Volkswagen plant in Puebla²⁰ and at the Ford plant in Hermosillo.²¹

A Labor Relations representative has mentioned the exclusion clause as one of a series of elements that create vastly different union practices in Mexico from Brazil. In this interviewee's opinion, union leaders in Brazil act as if they owned the company, deciding when to stop production—by initiating strikes—whereas in Mexico the employer is able to control union and, more generally, workers' behavior.²²

The Mexican Labor Boards. One characteristic of the Mexican body of labor laws that is similar to the Brazilian legal framework is the definition of the state as a key player in labor relations. The state in Mexico is the legal overseer of the formation and actions of labor unions and it has a primary role—through the dependence of the labor boards on the executive branch as well as direct attributions of the Secretaría de Trabajo y Previsión Social (Ministry of Labor and Social Welfare, STPS) and direct intervention beyond that stipulated by law—in deciding both business-labor and intra-union conflicts and in interpreting constitutional labor protections.

The framework for involvement of the legislative in labor relations is comparable in Mexico and Brazil, as Mexico has an equivalent, although less extensive tripartite labor judicial system comprised of conciliation and arbitration boards. The concept of labor boards in Mexico was first defined in Article 123 of the Constitution. However, the Constitution of 1917 is ambiguous as to whether the labor boards are meant to function as actual courts or as a mediating institution whose main role is that of reconciling the interests of capital and labor. The Constitution is also not clear on whether the character of this institution is permanent or temporary. These aspects are left to be defined by local laws.

In the years following the Constitution of 1917, there were several public debates surrounding the labor boards. The main issue was whether labor courts should fall under the executive or the judiciary branches of government. Ultimately, the conciliation and arbitration boards came to depend on the executive branch. The state's ability to control the implementation of the labor-friendly aspects of Mexican labor legislation and the level of protection of business interests have been amplified by the labor courts' ascription to the executive branch (Bensusán 2000: 138-142).

Through the reform of Article 123 of the Constitution in 1929, it was specified which industrial sectors' labor conflicts would be processed through the local labor boards²³ and which ones—those deemed to be of national interest—would be processed through the federal conciliation and arbitration board.²⁴ Regardless of the nature of economic activity, a union that represents workers from more than one state will automatically be under federal jurisdiction (Zazueta and De la Peña 1984).

Labor boards today handle most labor relations matters, including union registration, enforcement of contract provisions, elections to determine which union holds title to the collective agreement,²⁵ strikes, and individual and collective grievances and disputes. While the

²⁰Martínez Barrera, Blas. 2007. Interview by author. Puebla, Puebla, Mexico, October 17.

²¹Salazar, Francisco. 2007. Interview by author. Hermosillo, Sonora, Mexico, December 8.

²²Labor relations manager 1. 2007. Interview by author. São Bernardo do Campo, São Paulo, Brazil, July 5.

²³ The local labor boards depend on the executive at the local level.

²⁴ The federal conciliation and arbitration board depends on the executive at the federal level.

local boards handle union registration in local jurisdictions, unions under federal jurisdiction need to register with the STPS (Middlebrook 1995).

In the Mexican case, the labor boards have been a contested feature of the labor system because their existence and functioning may explain in part the disconnect between the legal provisions favorable to labor and the reality of the Mexican labor movement. Many shortcomings of the system derive from the implementation of the law, as several of the controls on labor were—and continue to be—implemented through decisions of the labor boards.

Relatedly, as there is a government representative on each labor board, and since the union representative has tended to be from a pro-government union, labor boards rarely make decisions favoring competitors of the official unions. This perpetuates the cycle of state control and marginalization of non-CT unions (Cook 2007).

In spite of the similar legal definition of the role of the state in labor relations in the two countries, Mexican labor law has significantly more elements that are favorable to workers and trade unions than Brazilian labor law.

III. Collective Bargaining

Increased cooperation between Brazilian labor centrals in the 2000s was centered around one major project: national level collective bargaining. Although by 2007 this goal had not been reached, the 2000s were characterized by extensive coordinated attempts to centralize collective bargaining on part of unions affiliated with the two dominant labor centrals. Mexican labor unions did not conduct a similar effort and their level of cooperation in the 1990s was low.

The attempts of Brazilian unions to achieve national level collective bargaining are addressed in detail in Chapter 3. Given the salience of centralized collective bargaining in cooperation among labor unions, this section introduces the legal framework for collective bargaining in the two countries, with historical references and a focus on the evolution of collective bargaining in the 1990s and 2000s.

III.A. Collective Bargaining in Brazil

The framework for collective bargaining in Brazil, which was set in the 1930s and conserved in great part through the 2000s, was one meant to control labor, and to that end it was based in part on a “divide and conquer” principle. The interactions among representative organizations—unions, federations, and confederations—from different sectors were limited. The original CLT outlined seven types of confederations. It did not provide for national confederations encompassing different functional categories, nor did it permit direct links between different types of unions.

Within this framework, collective bargaining never happened at a level that would cut across economic sectors. Bargaining took place at the union level, as opposed to the firm level, within economic sectors.

In practice, over the period spanning from the 1930s to the 1960s, direct negotiations between employers and workers at the individual level were much more important than collective bargaining in determining wages. The exception was the minimum wage, which was

²⁵ These elections are very controversial in practice as they are mostly performed through a public re-counting of workers’ preferences in the presence of state and company representatives, with significant space for pressure.

determined by the President of the Republic. Although collective bargaining was present in the labor code, it was of secondary importance in the determination of wages. Collective bargaining developed on a disaggregated basis, each union of each occupation and city in a different month of the year, leading to a desynchronized and decentralized pattern of wage adjustment (Amadeo and Camargo 2007: 28).

In 1965, a wage law was approved to control the rate of adjustment of all wages in the formal sector of the economy. The law stipulated that all wages should be adjusted once a year. The adjustment was calculated by the federal government. The formula used took into consideration past and future estimated rates of inflation and the growth of GDP per capita for the month established for collective bargaining. Different occupations in different regions of the country conducted collective bargaining in different months. This law, coupled with the function of arbitration in capital-labor disputes of the labor courts, became an important instrument of control and coordination of the process of nominal wage adjustment in the Brazilian economy. Because the CLT declared “invalid any clause of collective convention or agreement which, directly or indirectly, goes against any disciplinary rule or prohibition of the government economic policy or concerning the wage policy in force,” in the early days of the CLT, if a labor union engaged in collective bargaining asked for a wage adjustment higher than what was determined by the wage policy, the employer or the employer’s union would appeal to the labor courts, calling a “dissídio” (dispute). As the labor courts would automatically apply the wage law to the collective dispute, the rate of adjustment in collective bargaining was in fact entirely controlled by the government (Amadeo and Camargo 2007: 30)²⁶. This procedure is so deeply ingrained in the collective memory that to this day, although “dissídios” are increasingly rare, labor unions and workers often refer to the collective bargaining process as a “dissídio.”

In the model described above, despite the desynchronization of collective bargaining, the government was able to tightly coordinate and control the rate of adjustments of nominal wages. This model started to change in the 1970s. With the return to democratic rule on one hand and increasing labor market flexibility on the other hand, collective bargaining became more important and it started to increasingly encompass issues beyond wage adjustment. Some of the new issues addressed were working conditions—including work rhythm and intensity and authoritarianism in the firm and on the shop-floor—overtime, and workers’ representation in the workplace. The metalworkers from the ABC region were the first to bring these issues to the collective bargaining agenda.

After the strikes of 1978-1979, the government reduced the wage adjustment period from one year to six months and modified the wage policy so as to leave to the realm of collective bargaining the calculation and distribution of gains in productivity. As the only parameter for arbitration was the law, when the dispute arrived at the labor courts, the productivity gains could be decided independently by the judge, without the government control of previous years. Thus, the rate of adjustment determined by the government formula became a floor for wage adjustments, with the ceiling being determined by the relative power of workers’ and employers’ unions in the collective bargaining process and by the will of the judge in the arbitration procedures.

As the importance of collective bargaining increased, workers’ unions changed their strategies so as to increase their power at the bargaining table. In the absence of explicit rules

²⁶ In individual contracts, the nominal wages could be above the determinations of the wage law. However, in collective agreements and conventions, the wage law was the base for the adjustments.

defining the level of aggregation of bargaining, some occupations were able to conduct collective bargaining at the national level—financial and electrical sector workers—and, at the same time, maintained additional bargaining at plant level as well. The aggregate bargaining defined the floor adjustments, which could be improved at the plant level (Amadeo and Camargo 2007: 38-39). This is the model of bargaining that the metalworkers are currently pursuing. When this strategy was not possible, unions bargained at the state or at the plant level, where the dispute could be resolved through the signing of agreements between a worker union and a firm (Cappa 2002).

While the mandatory union tax and the monopoly of representation principle were maintained under the Constitution of 1988, government controls of union activity were reduced. Article 80 of the 1988 Constitution states that “*the law cannot require any authorization from the state to establish unions [...] being the Public Authorities forbidden to interfere or intervene in the union organization*” (Amadeo and Camargo 2007: 40-41). Thus, the new constitution tended to reinforce the previously discussed scenario.

By the end of the 1980s, a level of relative centralization characterized the process. Similar to the organizational developments, collective bargaining underwent a period of decentralization in the 1990s. The business actors played an important role in this process of decentralization. They prevented the formalization of a single collective bargaining agreement per economic sector that could serve as a reference for subsequent negotiations at the firm level, be applicable for all the subcategories of an economic sector, and exercise influence on the wage negotiations of other economic sectors.

In the 1990s, government initiatives promoted a model of flexible remuneration. As part of this model, negotiations for profit-sharing were introduced. These negotiations occur at the plant level and they are led on the workers’ side not by the labor union, but by a commission for profit-sharing, a group of workers selected specifically to conduct these negotiations. In practice, the labor union usually controls these commissions. Some scholars (Cook 2007, Amorim 2007) interpret the firm-level negotiations for profit-sharing as an indicator of decentralization of collective bargaining. However, while the recently-introduced notion of profit-sharing is an important component of worker remunerations negotiated at the most decentralized level, wage negotiations still occur primarily above the plant level.

For the purposes of this study, three phases in the history of collective bargaining in Brazil are of particular interest:

1. strong state oversight, relatively centralized collective bargaining (pre-1990s)
2. diminished state oversight, decentralization of collective bargaining (1990s)
3. diminished state oversight, recentralization of collective bargaining (2000s)

In the 2000s, unions affiliated with CUT and FS started to sit at the same negotiation table in the collective bargaining process. Joint collective bargaining between unions affiliated with the two labor centrals has often broken down half-way with final collective bargaining agreements signed separately—although the terms of the agreements are extremely similar if not the same. Yet the fact that unions affiliated with the two formerly rival labor centrals would agree to start the process together is an indicator of increased cooperation, as this would have been inconceivable in the 1990s.

Moreover, in the 2000s there has been an already partly-successful push to move all collective bargaining—across subcategories and across labor central clusters—to the same month of the year. By 2007, the coordination of bargaining dates had been achieved primarily at the

state level, with the explicit goal of agreeing on a common month for collective bargaining for metalworkers at the national level, as a step towards national level collective bargaining.

III.B. Collective Bargaining in Mexico

Although the law allows for bargaining at the plant, company, or even sectoral level, collective bargaining in Mexico takes place primarily at the firm level. Industry-wide law contracts are only valid if signed by the Labor Ministry, which in practice rarely happens. When conflicts arise, the state intervenes through the conciliation and arbitration boards, as discussed above, and by declaring strikes non-existent (O'Connell 1999).

In spite of the prevalence of firm-level collective bargaining, historically the degree of centralization has been relatively high among CTM unions, due to a high degree of coordination and discipline. Because most unions in Mexico—including most auto workers' unions—are affiliated with the CTM, the entire collective bargaining system may be characterized as having been historically centralized. However, in the current decade, a process of decentralization within the CTM has also resulted in a decentralizing tendency in collective bargaining. For the purposes of this study, two phases in the history of collective bargaining are particularly relevant:

- A. strong state oversight, relatively centralized collective bargaining (pre 2000s)
- B. strong state oversight, decentralization of collective bargaining (2000s)

The state oversight is manifested not only through the conciliation and arbitration boards and interventions in strikes, but also through the necessity of state approval to register a union, and the discretionary use of this prerogative.

When collective bargaining is initiated, it is typical in Mexico for unions to apply for a strike (“emplazamiento a huelga”). Although in most cases a strike application does not lead to a strike, it is used for traditional reasons as a bargaining tool and to ensure that, should a conflict arise and should the union decide to call a strike, the risk that the state may declare the strike non-existent is minimized.

In the second half of the 2000s, in some states in the North such as Sonora, the state governments agreed with the state-level CTM confederation that CTM-affiliated unions would no longer submit a strike application in the beginning of the collective bargaining process. The reason invoked was that potential investors verify statistics describing the number of strikes as well as the number of strike applications, and a lower number on both counts would contribute to making the state a more attractive investment location.

Mexico also exhibits the problematic proliferation of protection contracts, a particular instance of the inability of Mexican unions to properly utilize the autonomy granted by the legal framework. While laws governing internal union activities formally support union autonomy, the lack of regulations on the conduct of union elections or on member approval of collective bargaining agreements has meant that, in a legal context presumably enabling union democracy, union elections are often undemocratic and unions are often under-representative of their members. Moreover, the lack of regulation—combined with the composition and actions of the labor boards—have also enabled the spread of protection contracts, predominant in the maquiladora sector and in many small enterprises. Protection contracts refer to ghost unions that arrange collective bargaining agreements without the workers' knowledge, provide the minimum protection required by law, and are rarely updated. A potential challenger has to undergo a re-

count although, as explained above, re-counts are rarely successful (Bouzas Ortiz 2003: 97-115; Cook 2007; De la Garza 1991).

IV. Labor Law Reform

IV.A. Labor Law Reform in Brazil

Up until the installation of a democratic regime in 1985, Brazil's labor administration exhibited considerable institutional continuity. The new democratic government led by José Sarney professed to be fundamentally concerned with promoting the welfare of the Brazilian working classes. Indeed, during the critical democratic transition, the Brazilian labor movement was able to obtain some important favorable provisions in the labor law. The new legislation that was drafted under the Sarney administration and the new Constitution of 1988 promoted a series of important reforms. Nevertheless, many core elements of the CLT remained unchanged.

Of the steps that were undertaken in the 1980s, an important one was the government's acknowledgment of the multisectoral national labor centrals and initiation of a dialogue with the leadership of the centrals, despite the lack of legal criteria for the recognition of labor centrals (the CLT expressly prohibited such organizations). Over the following years, the labor centrals grew increasingly powerful politically. However, it was not until two decades later, in 2007, that they gained official, legal recognition.

The Sarney era legislation on collective bargaining promoted autonomous wage negotiations and removed mandatory state arbitration and ratification. State sanction was no longer required to formalize collective bargaining agreements, and the principals could choose their arbitrators. Wage negotiations could involve unions, federations, or confederations independently or together, depending on the organization and degree of vertical integration of each sector.

The main provisions of the 1988 constitutional reform favoring workers included reduced state intervention in labor relations. Unions no longer needed to be registered by the state. State intervention in internal union affairs was removed. Unions were granted the right to strike and the right to organize workers in public administration. Job security was established for union leaders and candidates for union office. Retired union members were permitted to vote and run for office. In addition, the maximum workweek was reduced from 48 to 44 hours and profit sharing was encouraged (Smith 1995; Amadeo and Camargo 2007; Cook 2007).

In spite of these significant reforms, most of the pillars of the system of corporatist labor relations stayed in place: the monopoly of representation principle, the mandatory union tax, the extralegality of labor centrals, and the labor court system (albeit with a reduced scope).

The strength of the Brazilian labor movement by the critical democratic transition decade of the 1980s enabled it to obtain some favorable provisions in the labor law. In the 1990s, the government pursued labor flexibility, but toward the end of the 1990s the labor movement was able to stall and even to reverse some flexibility reforms, particularly those affecting unions. By the mid-2000s, labor reform initiatives began to shift back toward a focus on labor rights and worker protection (Cook 2007).

In 2003, under the first Lula administration, all labor centrals were called to participate in a National Labor Forum to draft a proposal for labor reform. By March 2004, the forum completed a first round of discussions and produced a first draft of a proposal for reform of labor laws targeting collective rights. The proposal included the creation of a National Council for

Labor Relations, a tripartite body with the primary function of proposing and evaluating public policy in the realm of labor relations and two bipartite chambers—labor-state and business-state—with the function of addressing appeals to official union recognition decisions and mediating conflicts of representation. It also called for official recognition of the labor centrals, abolishment of the monopoly of representation principle and gradual abolishment of the mandatory union tax (*Reforma Sindical* 2004). However, five years later the reform proposal had still not passed.²⁷

The previously discussed legal changes and reform proposals notwithstanding, the most impressive development in the Brazilian labor movement remains Brazilian labor actors' capacity of adaptation and evolution despite the persistence of legal elements that are unfavorable to workers and trade unions.

IV.B. Labor Law Reform in Mexico

While other Latin American countries suppressed labor rights under authoritarian governments and adopted labor protections under democratic ones, Mexico's pro-worker labor legislation held up under seven decades of rule by the PRI.

Mexico was one of the first Latin American countries to commit to structural economic reform, including trade liberalization, and sign the North American Free Trade Agreement (NAFTA) in 1993. Nevertheless, these economic and political changes were not accompanied by significant modifications in the labor law—unlike other Latin American countries that attempted, and in some cases succeeded at rendering their labor laws more flexible. If Brazil did not implement a significant body of reforms to its labor legislation, Mexico implemented even fewer labor law reforms. Nevertheless, the Mexican labor movement is far from being able to take full advantage of its labor-friendly institutional framework.

Much like in Brazil, labor law reform has been a hot topic of discussion in Mexico in recent years. Business actors are the main agents pushing for reform. At the same time, however, reform is also demanded by left labor actors, along with scholars and labor lawyers. They propose a reduction in the role of the state in labor relations. In addition, the progressive actors emphasize the importance of responding appropriately to the new economic and political realities of NAFTA and neoliberal restructuring and the need to ameliorate the disconnect between law and reality.

The National Development Plan for 1995-2000 of PRI president Ernesto Zedillo set the tone for a change in labor law and labor relations based on consensus. In 1996, a public document was issued, "Principles of the New Employment Culture." This document did not reflect legal changes but was a statement of purpose on the part of government and business actors to increase flexibility and to achieve further labor acquiescence—"labor peace"—a concept that continues to be discussed and sought after today.

The PAN and the PRD in 1998 submitted to Congress their own proposals of labor law reform. Neither of the proposals passed. In December 2002, a group of deputies presented the "Abascal Project." This project was a package of labor law reform initiatives inspired by Carlos Abascal, former representative of an employer union and Secretary of Labor and Social Welfare under the PAN administration of President Fox. Interestingly, not unlike the meetings for discussion of union and labor law reform initiated during the first Lula mandate in Brazil—

²⁷ In 2007, the labor centrals were officially recognized, after almost three decades of marked political presence outside the official structure.

discussions that called on labor representatives associated with a variety of labor centrals—the reform proposal known as the “Abascal Project” in Mexico was supposed to be the result of discussions taking place within the “Central Table of Decisions” commission. This organization started out including eleven employer and eleven labor representatives, three of which were from the UNT and the rest from the CT unions. However, the UNT withdrew from the commission before the proposal was drafted. In October 2002, the UNT, together with the PRD, presented its own reform proposal to Congress. New versions of these proposals were put forth in the subsequent years, yet none of them passed.

Mexican labor relations continue to operate in an institutional context based largely on laws dating back to 1917 and 1931, laws that were extremely favorable to labor for that era, many of which can still be considered favorable to labor today. In practice however, the implementation of these laws is hindered, in part by the continuing prevalent role of the state in labor relations, and by the imbalance within the labor movement between the CT and the non-CT unions, perpetuated by the feeble political ties of the non-CT segment.²⁸

V. Old Laws, New Politics: Circumventing Legal Challenges

The overview of labor law reforms in Brazil and Mexico has shown that some partial reforms have been implemented, and that there have been proposals for more comprehensive reforms. However, these proposals have not yet materialized. In effect, the pillars of the old corporatist structure—the monopoly of representation principle, the mandatory union tax, the extralegality of labor centrals, and the labor courts—continue in place in Brazil. Nevertheless, Brazilian unions have built strategies to sidestep challenges posed by these elements of the labor code. This section addresses each of these four legal elements and the strategies that Brazilian unions have used to circumvent them, with specific examples from the metalworkers’ unions that represent auto workers.

V.A. Sidestepping the Monopoly of Representation Principle

Although Brazilian unions—especially left unions—have long been denouncing the monopoly of representation principle as undemocratic and thus undesirable, in practice they have been able to take advantage of the protective side of this old corporatist tool. Once a union is in place at the municipal level, it is very difficult for another union to compete for representation rights in the same sector in that municipality. This has enabled Brazilian unions to ensure continuity and accumulate strategic knowledge, and thus to become stronger actors vis-à-vis business and the state.

In the case of Brazil, in addition to the continuity benefits that unions may be able to derive from the monopoly of representation principle, there are also instances in which they have sidestepped it, as illustrated by the example of the metalworkers’ parallel confederations and federations discussed below.

The Beginning of the End of the Principle of Monopoly of Representation: Confederations. The auto workers have often been at the forefront of the labor movement in Brazil. One of these instances of pioneering actions has been the implementation of new strategies that defy the monopoly of representation principle.

²⁸Marino Roche, Rafael. 2007. Interview by author. México, D.F., Mexico, November 23.

Of the seven sectoral categories of the original CLT framework, metalworkers²⁹ fell under “industry.” Therefore, at the national level the Confederação Nacional dos Trabalhadores na Indústria (National Confederation of Industry Workers, CNTI) represented metalworkers. In the 1930s and 1940s, when the seven occupational categories corresponding to economic sectors were defined, the size of the industrial sector in Brazil was small. In the beginning of the 1960s, the growth of the industrial sector based on durable consumption goods and on the mechanical and metal subsectors—and the high concentration of these subsectors in the state of São Paulo—created conditions for the appearance of active unions representing individuals such as metalworkers, and chemical and electric workers. This flourishing of subsectoral unions happened under the populist pro-workers government of João Goulart. The military coup of 1964 brought along anti-worker policies, but the continuing process of industrialization ensured the continuing existence of subsectoral unions (Amadeo and Camargo 2007: 29). The metalworkers were the first to push for their own organizations within the structure; other economic subsectors followed.³⁰

The Confederação Nacional dos Trabalhadores Metalúrgicos (National Confederation of Metalworkers, CNTM) was created in 1985 and legally recognized by President Sarney in 1988. In 1989, the CUT labor central created an internal department of metalworkers within the central, meant to represent all metalworkers whose unions were affiliated with CUT. In 1992, the department turned into the Confederação Nacional dos Metalúrgicos da Central Única dos Trabalhadores (National Confederation of Metalworkers affiliated with the Single Workers’ Central, CNM/CUT), a confederation parallel to the already existing CNTM. From this point onwards, in practice CNM/CUT proceeded to represent all metalworkers’ unions in Brazil affiliated with CUT, while CNTM would represent most other metalworker unions—most of them affiliated with FS, but some affiliated with other labor centrals.³¹

The Beginning of the End of the Principle of Monopoly of Representation: Federations. By 2007 there were seven metalworkers federations affiliated with CNM/CUT. Most of them were at the state level, with the exception of the inter-state federation representing metalworkers in the states of Santa Catarina and Paraná. Some of these federations were the official “single” federations of the respective states. Others existed parallel to the official federations. In 2005, when CNTM recognized CNM/CUT, the official state federation—the Federation of Metalworkers of the state of São Paulo affiliated with FS—also recognized the Federação dos Sindicatos Metalúrgicos da CUT, São Paulo (Federation of Metalworkers’ Unions Affiliated with CUT, São Paulo, FEM/CUT).

The functioning of parallel federations and confederations, and the recognition offered to these parallel entities in 2005 illustrate a defiance of the monopoly of representation principle and therefore a successful strategy to overstep challenging elements of the labor code.

V.B. Sidestepping the Mandatory Union Tax

Some of the stronger CUT unions—in particular the ABC Metalworkers’ Union—obtained a preliminary verdict stating that workers at companies represented by the respective

²⁹ The current sectoral category that comprises auto workers.

³⁰ Alimentation, textile, construction, urban, extractive, rubber artifacts, leather artifacts, chemical and pharmaceutical, paper, graphic, glass, jewelry, musical instruments and toys, cinema, and craftwork.

³¹ Currently there are a few metalworkers’ unions that in practice do not associate with either CNM/CUT or CNTM.

union did not have to pay the government-mandated universal union tax.³² Based on this verdict, only workers who were union members paid a monthly union membership fee. The ABC Metalworkers' Union obtained this preliminary verdict in 1997 and acted in accordance with it until 2007, when the preliminary verdict was overturned by the Federal Supreme Court and the union had to revert back to the collection of the mandatory union tax. In 2008, the union decided to compensate workers for the mandatory union tax by not collecting union fees from members for the months of March and April (*Tribuna Metalúrgica do ABC*: 2008).

V.C. Sidestepping the Extralegality of Labor Centrals

By the early 1990s, in spite of being confined to illegality, there were already two labor centrals in existence. The 1980s was a decade of intense union militancy and the labor centrals. The missing top of the official Brazilian union structure comprising unions, federations, and confederations across sectors, were important engines behind labor mobilization—especially CUT. Part of their motivation was the employers' refusal to negotiate with workers' representatives,³³ but beyond that, the labor centrals had greater national platforms, ideology-wise they operated in a manner similar to political parties. In the transition to democracy that was underway in the mid 1980s, the labor centrals played the role of “the left.” The PT at the time was much less relevant than were the labor centrals. Starting in the 1990s, labor centrals stopped playing this role—in part due to rising unemployment, and in part because the democratization process had been completed.³⁴

Even in the aftermath of the democratization process, labor centrals in Brazil continued to hold political power throughout the 1990s and into the 2000s. Although in practice they were recognized as an interlocutor by both state and business actors and they ceased to be illegal, the labor centrals maintained an extralegal status until gaining official recognition in 2008. One of the implications of their prolonged extralegality was the lack of direct access to funding deriving from the mandatory union tax. However, they obtained financial resources through the affiliated unions and, in some cases, federations and confederations and were extremely involved in coordinating their affiliates, providing training and support to member unions as well as to opposition group sympathizers, and continuing to be politically active in spite of their reduced role compared to the 1980s.

The powerful presence of the labor centrals in spite of their extralegal status is possibly the best example of Brazilian unions sidestepping legal constraints, and the first such instance to gain official recognition. Most of the items in the comprehensive labor reform proposal drafted during the first Lula administration have still not passed. However, one major reform included in that proposal has passed: the legalization of the labor centrals.³⁵

Starting in 2007, in anticipation of the legalization of labor centrals based on specific requirements regarding the number of affiliates and the financial resources directed to the labor centrals in the aftermath of legalization, a re-organization took place within the Brazilian labor movement. In July 2007, a new labor central was formed, the União Geral dos Trabalhadores (General Union of Workers, UGT), by the unification of Central Autônoma dos Trabalhadores

³² The union tax mandated by the government is meant to be collected from union members and non-union members alike.

³³ Marinho, Luiz. 2007. São Paulo, São Paulo, Brazil, July 13.

³⁴ Comin, Álvaro. 2007. Interview by author. São Paulo, São Paulo, Brazil, February 13.

³⁵ Law number 11,648 of March 2008.

(Autonomous Workers' Central, CAT), Confederação Geral dos Trabalhadores (General Confederation of Workers, CGT), Social Democracia Sindical (Social Union Democracy, SDS), and Grupo dos Independentes (Independents' Group, GI), a mixed group of unions, some of which were previously affiliated with FS, some with CUT, some with Nova Central (New Central, NC), and some that had never been affiliated with any labor centrals. The groups that split off from FS and CUT were mainly following a leader seeking a higher-ranking leadership position that the new central could provide. CAT, CGT, and SDS were interested in a position of relative influence under an umbrella organization that would provide them with direct access to the resources destined to labor centrals under the new law. In spite of this re-organization of the labor movement, CUT and FS lost a relatively small number of affiliated unions and continued to be the two main actors in the Brazilian labor movement.

The legalization of the labor centrals could constitute a first step in series of reforms targeting old corporatist pillars of the Brazilian labor relations system. It certainly indicates that, when the legal framework no longer corresponds to reality, persistent action in the desired direction—especially under a propitious constellation of political factors—can lead to institutional change.

VI. Conclusion

This chapter has shown the origins and evolution of the Brazilian and Mexican systems of labor legislation and related practices. While both countries have experienced an extensive circulation of reform proposals that have not materialized into major labor reforms, the Brazilian labor movement has developed strategies to overcome the challenges of its institutional framework, while the Mexican labor movement has been limited in its ability to apply the advantageous specifications of its comparatively more labor-friendly legal framework.

Labor institutions in Brazil and Mexico are the result of the historical process of labor incorporation into the two polities. Mexico followed a model of party incorporation of labor (Collier and Collier [1991] 2002: 196-250). All throughout the period that the PRI—the party through which labor was incorporated—was in power, the unions that were controlled by the PRI were de facto controlled by the state. State control of the unions was enhanced by the dependence of the conciliation and arbitration boards on the executive branch of government. Since the 1980s and increasingly so through the 1990s and the current decade, the power of the state in the realm of labor relations and the state's strong support for business have effectively prevented a full and true implementation of the labor-friendly aspects of the Mexican labor laws.

Since the 1970s, there have been several instances of unions and union factions attempting to establish an independent union movement in Mexico. However, all these efforts were defeated—and the independent unions that did survive were marginalized—in spite of the apparent generosity with which the Constitution had recognized the free exercise of collective rights. In trying to explain this paradox, Bensusán (2000: 17-18) focuses on the process by which the originally high levels of worker protection were adapted in Mexico to the demands of capitalist development and the role that union corporatism played in this adaptation.

Cook (2007) argues that Mexico's model of party incorporation of labor had a deep impact on the labor environment throughout the decades of PRI rule. The state-sanctioned labor unions and labor centrals that were officially incorporated into the PRI were given access to state resources—including directly through political positions of influence— and a monopoly of

worker representation. In exchange, they would control union members and guarantee the votes of their members in support of the ruling party. As early as the 1980s and more pronouncedly into the 1990s, as Mexico started undergoing a process of intense economic restructuring and adopting neoliberal policies with economic liberalization underway, the PRI-incorporated unions, which dominated—and continue to dominate—the Mexican labor movement, tended to restrain wage demands and allow for considerable functional flexibility. Beginning in the 1980s, the corporatist arrangements changed significantly from the conditions under which the state—which at the time was identified with the ruling party, the PRI—controlled the unions and through them the workers, in exchange for which unions and workers were granted certain benefits. Workers instead got the short end of the deal as their benefits started to decrease while the absence of a full autonomous and transparent system of union representation helped lead to an imbalance in the distribution of costs of the transition to a new development model. Bensúsán (2000: 18) concludes that it was not just the political system, but also the statist, authoritarian and corporatist judicial system operating in a context of an extremely fragile Rule of Law that led to a labor model of “corporatist flexibility.”

I recognize the importance of the model of labor incorporation along with the flaws of the judicial system and the context in which the laws were applied—one of prevalence of the executive over the judicial branch and of pervasive state control derived at least in part from the old corporatist arrangements. The structure of the Mexican labor movement, with a single dominant labor central, was a function of these historical processes. Moreover, the decentralization of the CTM in the 2000s and the ensuing decrease in cooperation within the CTM in particular and in the Mexican labor movement in general have to be understood in light of the position that the CTM had held within the one-party Mexican state prior to 2000. Nevertheless, I argue that a crucial factor that explains the level of cooperation in the Mexican labor movement and the decrease in cooperation from the 1990s to the 2000s is the links between CTM unions and political parties and the lack of clear ties between political parties and unions operating outside the CT.

The capacity of the Brazilian labor unions to circumvent the monopoly of representation principle, the mandatory union tax, and the extralegality of labor centrals was an intermediary factor that was enhanced by links between unions and political parties and in turned facilitated increased cooperation in the Brazilian labor movement in the 2000s.

Chapters 5 and 6 conduct an in-depth analysis of the ties between labor unions and parties in Brazil and Mexico, respectively. Chapters 3 and 4 evaluate the level of cooperation in the Brazilian and Mexican labor movements respectively in the 1990s and in the 2000s. In discussing the joint projects, joint actions, union networks, and conflicts of representation within and between labor centrals for each country and each decade, the legal limitations for each indicator will be addressed when relevant.

Chapter 3

From Division to Unity: The Evolution of the Brazilian Labor Movement from the 1990s to the 2000s

I. Introduction

As several English-language authors describe it, the Brazilian labor movement in the 1990s was characterized by a high level of conflict (Anner 2003: 604-627; Martin 2001: 99-114). However, in the 2000s a reorganization of the labor movement occurred, with the most important and interesting change being a shift towards increased unity. This change was unexpected, given the long-standing division between what was perceived to be the “independent” labor movement—represented primarily by CUT—and the non-independent labor movement—represented primarily by FS. Moreover, this turn of events is virtually undocumented in the English language literature.

The two decades under study—the 1990s and the 2000s—offer two distinct periods for the Brazilian labor movement: one of division in the first decade, and one of unity in the second. While Brazil has eight labor centrals, two of them stand out in size and importance: CUT and FS. CUT was created in 1981, following the strikes of the late 1970s and the movement for democratization. FS was created in 1992. There were some instances where the two labor actors sat down at the same table. One example were the sectoral agreements of the first half of the 1990s, which were important instances of tripartite collaboration, one part of which was labor as represented by the two centrals. Overall, however, the decade of the 1990s was characterized by marked conflict between the two labor centrals. Starting in the late 1990s and developing into the 2000s, the two labor centrals started moving toward a “median strategy” and increasingly cooperated with each other. This chapter outlines this change, while the subsequent chapters explain the factors leading to it.

II. Interplay of Levels of Cooperation

As discussed in the previous chapter, in Brazil, a union is vertically affiliated with a federation, which in turn is affiliated with a confederation, which in turn is affiliated with a labor central. The links between unions and labor centrals may be direct—not always mediated by the federations and confederations—and the links between unions and confederations may also be direct – not always mediated by federations.

Cooperation within the labor movement generally occurs horizontally, between unions, between federations, and between confederations; and it can occur within and across labor centrals. Federations can promote cooperation among unions. Confederations can facilitate cooperation among unions and among federations. Confederations, federations, and unions can promote, or hinder, cooperation between labor centrals. Networks composed of representatives from different Brazilian plants of the same multinational corporation—company national

committees—facilitate both intra- and inter-central cooperation since the unions representing factories of the same company can be affiliated with the same or with different labor centrals.

Within the pyramid structure of the Brazilian labor movement discussed in Chapter 2, decisions resulting in an increase or decrease in cooperation can be taken at various levels. Cooperation across labor centrals has been initiated primarily through a top-down process, being promoted primarily—in the case of the metalworkers—by the two confederations, each affiliated with a different labor central. For example, confederations devise and implement joint-union leadership strategies at the local union level. The primary decision-making power within an important union—including cooperation related decisions—may lie with a former union leadership who in the meanwhile advanced to a leadership position within the labor central or even to political office outside the realm of the labor movement. At the same time, powerful lower units within the vertical structure may de facto rule a higher unit—for example, the ABC Metalworkers' Union has a strong influence on FEM/CUT, CNM/CUT, and even CUT. Depending on how much power a lower unit has, it will determine action in the higher units or it will be decided upon directly by the higher unit or indirectly by a powerful unit at the same level within the vertical structure, via the higher unit that this more powerful union controls. As the power relations within the vertical structure are not always intuitively balanced, this aspect needs to be given due consideration when analyzing the criteria for cooperation.

Weaker unions may or may not welcome support that comes directly from more powerful unions. They may need it, but they may not want to relinquish control over their own union. If it is an opposition group, like the CUT group in São Carlos was for years before joint-union leadership was implemented, then they may be in an even weaker position than a weak union and be more eager to attain support from more powerful unions. As an example, the CUT-tendency group in São Carlos has actively sought the support of the ABC Metalworkers' Union, traveling at least weekly four hours each way to São Bernardo to establish a presence and attend training, and seeking out leadership from the ABC Metalworkers' Union to participate actively in seminars they organized in São Carlos.

III. Criteria for Evaluating the Level of Cooperation

The criteria employed to evaluate the level of cooperation within the labor movement are the extent of joint projects, joint actions, union networks, and conflicts of representation. An increase in joint projects, joint actions, and union networks indicates an increase in the level of cooperation. An increase in conflicts of representation indicates a decrease in the level of cooperation. The level of cooperation is measured separately for within and among labor central cooperation. These two measures combined represent the level of cooperation within the labor movement.

Joint projects such as pursuing national level collective bargaining generate joint actions, such as coordinated strikes or presenting a unified list of demands to the peak organization of automakers. At the same time, joint actions can generate joint projects—for example, leadership meets at a joint action, where they initiate discussions related to a larger joint project. Networks can facilitate joint actions and joint projects. Joint actions and projects involving unions, federations, and confederations affiliated with one labor central are an indicator for the level of cooperation within that labor central. Joint actions and projects involving unions, federations,

and confederations affiliated with different labor centrals are an indicator for the level of cooperation between labor centrals.

Union networks are formal or informal groups of unions that organize periodic meetings, share information, offer mutual support, and, in some instances, participate in each other's collective bargaining. Support may be offered to another union in a mobilization—such as strike, march, or assembly—at union elections, or in collective bargaining situations. A common type of union network is formed by unions representing workers at different plants of the same automotive corporation. The members of a union network may be affiliated with the same labor central, which indicates cooperation within that labor central, or they may be affiliated with different labor centrals, which indicates cooperation between labor centrals.

Conflicts of representation are conflicts between unions who compete for representation rights at a plant or in a municipality. They may occur between unions affiliated with the same labor central, which indicates decreased cooperation within that labor central. Conflicts of representation may also occur between unions affiliated with different labor centrals, which indicates a decrease in cooperation between labor centrals.

IV. Cooperation within Labor Centrals

This section will discuss intra-central cooperation in Brazil, covering both decades under study. The following section will explore between labor central cooperation—first in the 1990s, and next, in the 2000s.

Cooperation can be expected to happen naturally, in an organized way between unions affiliated with the same labor central. In fact, this is the main reason why a union would affiliate with a labor central—to obtain its support and that of its affiliated unions. The Brazilian case shows continuity in the high level of within labor central cooperation over the two decades under study. However, there is some interesting variation. There is more cooperation within CUT than within FS, though this difference is more pronounced in the 1990s and decreases in the 2000s.

The high level of cohesion within CUT in the 1990s has been assured in part through CUT's implemented strategies of coordinated national and regional training of leadership and activists, and the ongoing organization of national and regional congresses, seminars, and workshops. These actions facilitated inter-union communication and a central-wide common platform, in spite of the diversity of factions within the central. Within FS, where these strategies were not implemented extensively in the 1990s, the level of intra-central cohesion was lower. However, in the 2000s, as FS started to adopt some of the traditionally CUT practices, including more focus on training, congresses, seminars, and workshops, intra-central cohesion started to increase within the FS as well. These changes are discussed more at length in the second half of this chapter.

An additional important point is that CUT, as far as metalworkers are concerned, always revolved around the ABC Metalworkers' Union. On the other hand, while FS's main metalworkers union was clearly the São Paulo Metalworkers' Union, the central had a second dominant metalworkers' union—the Greater Curitiba Metalworkers' Union. For CUT, having a single dominant metalworkers' union translated into increased centralization, while the existence of two dominant metalworkers' unions within FS favored a more decentralized structure. In sum, within labor central cooperation is high in the 1990s and experiences a slight increase in the 2000s—driven by the increased within central cooperation within FS.

Through the coordination of CNM/CUT, labor leaders from CUT affiliated metalworkers' unions from across the country often participate in mobilizations at a CUT union represented plant located in a different municipality or even in a different state. For example, in 2008, CUT union leaders from across the country—including the ABC Metalworkers' Union and the Taubaté Metalworkers' Union—participated in a mobilization at the Belo Horizonte/Contagem Metalworkers' Union in the state of Minas Gerais and in an assembly at the plant of Iveco/Fiat in Sete Lagoas, Minas Gerais, where they distributed flyers and utilized banners promoting national-level collective bargaining.

In disputed union elections, representatives from the federation and confederation as well as labor leaders and activists affiliated with the same labor central gather from across the state and the country to provide their support. In the elections held at the Taubaté Metalworkers' Union in 2007, CNM/CUT officers staffed the campaign headquarters conducting strategic planning and implementation throughout the months leading to the election. During the week preceding the election as well as over the two days of voting, labor leaders from unions across the country came to Taubaté to support their group. Labor leaders from the CUT-affiliated unions of ABC and Belo Horizonte/Contagem and CUT-friendly leaders from Resende and São Carlos were among those present.³⁶

Support in collective bargaining situations is offered for unions that lack extensive experience of negotiating with labor relations representatives of automotive multinational corporations. The providers of support can be the federation, the confederation, or another more experienced union affiliated with the same labor central – preferably one that represents workers from another plant of the same multinational corporation. For example, CNM/CUT and the ABC Metalworkers' Union have repeatedly sent experienced labor leaders to Bahia to assist the Camaçari Metalworkers' Union and the Bahia Metalworkers' Federation, both affiliated with CUT at the time, in their negotiations with Ford. The labor leaders from the ABC Metalworkers' Union who have attended negotiations in Bahia had the experience of representing workers at the old Ford plant in São Bernardo do Campo.³⁷

V. Cooperation between Labor Centrals

Inter-central cooperation in Brazil increased significantly between the 1990s and the 2000s. Given the consistently high level of within labor central cooperation in the country, this change has translated into an overall increase in cooperation within the Brazilian labor movement. The rest of the chapter is divided into two sections. The first one provides evidence supporting the claim that low level of cooperation characterized the 1990s. The second one provides evidence supporting the increasing level of cooperation characterizing the Brazilian labor movement in the current decade.

V.A. Relations between Labor Centrals in the 1990s

FS was created as a counter-force to the CUT, an organization that would group labor unions away from CUT. Politically, the two centrals were divided in the 1990s. FS was founded in the aftermath of President Fernando Collor de Mello's win in the 1989 presidential

³⁶ Participant observation by the author. 2007. Taubaté, SP, Brazil, August 13.

³⁷ Sanches, Valter. Interview by author. São Paulo, São Paulo, Brazil, March 9.

elections. During the second round of the elections, a phenomenon of polarization occurred between the constituencies supporting the candidacy of Collor de Mello—the young governor of Alagoas, a product of a center coalition that ran his campaign on the promise of eradicating corruption and representing progress and modernity—and that of Lula, a former metalworker, union leader, running in the presidential race for the first time. The election was a close call. Meanwhile, a group within the CGT labor central was already undergoing a process of rupture within the CGT. The final push for this group to create a new labor central came from the Collor administration. The government promoted a series of policies, investment programs, and agreements that resulted in the growth and strengthening of FS as the main labor central supporting the Collor administration. FS continued to support subsequent not-left parties in government in Brazil in the 1990s. The implications of these relationships between the labor central and political parties in power in the 1990s are discussed more in depth in Chapter 5.

Following President's Collor impeachment in 1992, during the two mandates of President Fernando Henrique Cardoso and his party the PSDB— a center-right party in the Brazilian political spectrum³⁸—FS supported the administration, while CUT worked in opposition.

Although the conflict in political preferences and support for the government promoted a deep divide between the two labor centrals over the 1990s, the seeds of future cooperation were also planted in this decade. In the first half of the 1990s there was a series of neo-corporatist industrial policy initiatives that represented a first attempt to construe collaboration among labor actors and between labor, government, and business actors to promote the government's vision of development for the automotive industry.³⁹ Out of the common discussions around the future of the automotive industry came the idea, for CUT and FS, to develop a joint campaign for national level collective bargaining. However, the labor centrals were not able to overcome their differences at this point because the necessary conditions were not yet in place. Moreover, these tripartite exercises of the early 1990s were no longer in place by the second half of the 1990s. Therefore, the national level collective bargaining project remained dormant for the second half of the decade.

The Sectoral Chamber and the Automotive Sectoral Agreements. In the 1980s, the Brazilian auto market had experienced a period of stagnation (Shapiro 1996: 1). By 1991, the auto market in Brazil had the capacity to produce between one and a half and two million motor vehicles. However, the annual production did not surpass the one million vehicle mark. Some of the multinational automotive corporations had already started moving production from the greater São Paulo metropolitan area to the interior of the state of São Paulo—although at this point the new locations were only one or two hours away from São Paulo. While a tax war among state and municipal governments to attract foreign direct investment had been initiated, production in the already established industrial park of the São Paulo metropolitan area was as low as half the capacity. In this context, the government created a sectoral chamber for the automotive industry, a tripartite forum where government, business, and labor actors could discuss the direction of the Brazilian automotive industry. One of the objectives of the sectoral chamber was to balance the tension between an already installed industrial park that was producing below its capacity and an incipient tendency towards decentralization of investment. In an attempt to increase conditions and capacity for production, the first sectoral agreement

³⁸ Marques, Rafael. Interview by author. São Bernardo, São Paulo, Brazil, March 23.

³⁹ Comin, Alvaro Augusto. 2007. Interview by author. São Paulo, São Paulo, Brazil, February 9.

developed by the sectoral chamber included an objective to reach the production mark of two million vehicles in 1994.

Regarding participation of the labor centrals in these tripartite discussions, CUT was in favor from the start. FS, on the other hand, was not a strong believer in the work of the sectoral chamber. In fact, FS union leaders were not even present at the first seminar organized by the sectoral chamber, which delivered the first sectoral agreement in 1992. FS became more actively involved in the second agreement of the sectoral chamber in 1993 and in the third agreement in 1995. The sectoral chamber was not a priority for FS at the time, as the central was focused on managing the Ministry of Social Security and Labor, where one of its union leaders, Antônio Rogério Magri, had just been named minister.

The main union supporting the sectoral chamber was the ABC Metalworkers' Union, affiliated with CUT, and the main labor leadership involved in the project was Vicente Paulo da Silva, Vicentinho, at the time President of the ABC Metalworkers' Union. The ABC Metalworkers' Union believed in the possibility of tripartite national level negotiations. In reality, the first seminar of the sectoral chamber, held in 1992 did not claim to pursue national level tripartite negotiations. Instead, the seminar was envisioned as a diagnostic tool, a dialogue, prompted to a great extent by the pre-announcement of the elimination of over ten thousand jobs by Ford and Volkswagen, and the government's concern with the increase in imports. The results of the seminar reached beyond those initially envisioned, as it concluded with a short-term agreement, initially of three months, that included the reduction in federal and state taxes, and a three-month postponement of the yearly collective bargaining date. The measures resulted in an immediate 20% reduction in the price of a car, followed by an increase in consumption. The agreement was followed by medium and long term plans containing longer lasting measures.

While the presidential elections of 1989 concluded with a state of intense conflict between the two labor centrals CUT and FS, as they had been supporting opposing presidential candidates, and the initial stages of the sectoral chamber were characterized by a lack of involvement of FS, further discussions between the two centrals in the context of the sectoral chamber planted the seeds of future cooperation. For the sectoral chamber agreements of 1992 and 1993, CUT and FS realized they needed to create a single front to represent the interests of labor, which often were opposed to those of the two other main actors at the table—business and government. At the same time, the emergence of a new leadership of FS, including Paulo Pereira da Silva, Paulinho, and João Carlos Gonçalves, Juruna—who, in the beginning of his activism in the labor movement, had identified with CUT—marked the first opportunities for joint actions between the two labor centrals.⁴⁰ However, while the sectoral chamber agreements provided the seeds for cooperation, informants agree that extensive collaboration between the two centrals did not occur until the following decade.

V.B. Relations between Labor Centrals in the 2000s

Leveling-up Unification Strategies. Starting in the second half of the 1990s, Brazil received a new wave of decentralized investment in the auto industry as new car assembly plants—the majority belonging to companies with an already established presence in Brazil—led to the creation of a new industrial geography. The reasons why companies chose new locations, away

⁴⁰Grana, Carlos Alberto. 2007. Interview by author. São Paulo, São Paulo, Brazil, August 20.

from the traditional investment area of Sao Paulo, included their desire to decrease labor costs, avoid militant unionism, and take advantage of tax subsidies offered by less industrialized Brazilian states. Indeed working conditions in the new plants differ significantly from the old plants. Workers in the new plants earn between a third and a half of the wages of workers in the old plants. Regarding working hours, in most of the old plants the workweek is 40 hours, whereas in the majority of the new plants, it is 44 hours (DIEESE 2003: 37-42).

While workers in the new plants had significantly poorer working conditions than workers in the old plants, the latter faced the threat of losing their jobs altogether. Between 1997 and 2001, the old plants suffered decreases in their workforce ranging from 4.3% to 66.5%—while the workforce of the new plants was increased by 60%, 70%, and in one case 328% (DIEESE 2001). Since the end of the 1990s, union leaders affiliated with both FS and CUT have been pursuing leveling-up unification strategies in an attempt to decrease the differences among old plants and new plants. Reaching this goal would provide benefits to workers in both types of plants—the workers in the new plants would see their working conditions improve, and the workers in the old plants would face a lower risk of investment flight.

National Level Collective Bargaining. The primary leveling-up unification strategy has been the push on the part of the unions for a centralization of collective bargaining. Indeed, through the joint actions and projects and the common vision it generates, the pursuit of national level collective bargaining has been the primary force of convergence between FS and CUT in the 2000s.

In 2000, the research department of CNM/CUT initiated the first stage of a research project in support of national level collective bargaining (DIEESE 2001). The second stage was conducted in 2001. In 2007 the research project continued, updating previous findings and adding new research lines.

In the Brazilian automotive sector, state-level collective bargaining already exists in some of the states. The most notable example is the state of Sao Paulo, where in recent years unions affiliated with both CUT and FS have negotiated together with the Associação Nacional dos Fabricantes de Autoveículos (National Association of Automakers, ANFAVEA) and representatives of the individual multinational automotive corporations. Moreover, both CUT and FS have pushed for national-level collective bargaining in the automotive sector. They are far from achieving this goal, but the actions they have undertaken separately and together towards this common goal constitute significant evidence of the increasing cooperation between these two major labor centrals.

National collective bargaining was first discussed in the early 1990s on the occasion of the sectoral agreements. However, at the time, although CUT and the newly formed FS sat down at the same table, the animosities between the two labor centrals were still too great to pursue this project jointly. Moreover, although an intermediary wave of decentralized investment had already occurred in Brazil in the 1970s with the opening of the Fiat plant in Minas Gerais and the Volvo plant in Parana, the industrial geography was not radically changed until the second half of the 1990s. Therefore, a strong incentive for pursuing this strategy was lacking at the time of the sectoral agreements.

Once the sectoral chambers were dissolved by the Cardoso administration starting in 1995, national collective bargaining was not brought up again until 1999, when the Strike Festival marked the first out of a series of actions by the two labor centrals in the pursuit of this common goal. During the Strike Festival, unions affiliated with both CUT and FS called

simultaneous strikes at a number of car assembly plants throughout the country; national collective bargaining was one of the strikers' core demands.

The president of CNM/CUT indicated that the campaign for national level collective bargaining was initiated during the Strike Festival. The strikes were organized by CUT and FS at car assembly plants, as they considered the automobile sector to be the most dynamic sector of the metal industry. The leaders of the two labor centrals would decide on one day of the week and, over two months, the leadership and militants from the two labor centrals would go to a specific state and organize a strike at a local plant. Such strikes were organized in the states of São Paulo, Paraná, Minas Gerais, and Rio Grande do Sul. In organizing the Strike Festival, CUT and FS initiated a dialogue

*“ that I think was an extremely positive movement, it was a historic moment in the struggle for national level collective bargaining. In an unexpected way, the two main representatives of the metalworkers in Brazil, CUT and FS, came together with a common objective and a common strategy. ”*⁴¹

The Strike Festival had positive consequences for the workers at the plants where strikes were organized, such as wage increases, improved working conditions, and an improved relationship between companies and unions. These results encouraged further cooperation between FS and CUT.

On August 14, 2007, the CNM/CUT held the first national assembly of metalworkers affiliated with CNM. At the assembly, the secretary general of CNM mentioned that national collective bargaining had been pursued since the Strike Festival in 1999. Since then, he evaluated, differences in wages and working conditions across Brazilian states had decreased, but continued to be significant. In its internal documents, when listing recommendations for achieving national level collective bargaining, the CNM/CUT included incentives for discussion with other auto workers' unions not linked to CUT (DIEESE 2001).

Sometimes the leaders of the two labor centrals have differing visions of how best to achieve the goal of national-level collective bargaining. The president of CNTM believes unity lies in the common goals that the two centrals have, while their strategies for achieving these goals may differ. His labor central, FS, prefers to focus more on achieving state-level collective bargaining in all the states that have automotive industry before they push for bargaining at the national level. The national leadership of FS believes that many local FS union leaders are not aware of the importance of national level collective bargaining. The FS strategy is to enlist the support of the local union leaders by focusing initially on centralizing collective bargaining at the state level and addressing regional concerns. By ensuring local union leaders that centralizing collective bargaining will benefit them and their unions, the FS national leadership expects to have more success in their campaign for national level collective bargaining:

*“By unifying collective bargaining at the state level, by executing and discussing regional problems, it is more possible to make the local union leader more aware [of the importance of centralized collective bargaining]. The union leader needs to gain confidence that centralizing collective bargaining will strengthen him [...] that it is not a threat [...]. ”*⁴²

While FS envisions a building block approach, whereby centralization of collective bargaining is first pursued at the regional level, with the eventual goal of achieving national level collective bargaining, CUT has a more direct focus on national level collective bargaining. For the CUT

⁴¹ Grana, Carlos Alberto. 2007. Interview by author. São Paulo, São Paulo, Brazil, August 20.

⁴² Bezerra, Eleno. 2007. Interview by author. São Paulo, São Paulo, Brazil, July 6.

national leadership, state level collective bargaining is also important. However, CUT prefers to pursue both state and national level collective bargaining at the same time, rather than in sequence. The president of CNM/CUT believes that by waiting to achieve state level collective bargaining first, the wait could be very long and the focus on the ultimate goal of national level collective bargaining would be lost.

*“Of course it would be desirable for all states to be able to negotiate state-level collective bargaining agreements, that would be ideal [...] but we will not wait to achieve state level collective bargaining in all the states before pursuing national level collective bargaining. I believe it is possible to take both paths at the same time.”*⁴³

An intermediary step that is important from the point of view of CUT is achieving simultaneous collective bargaining for all metalworkers’ unions in Brazil, on the same day of the year. FS agrees that this is a desirable intermediary outcome. While the national leaderships of FS and CUT acknowledge the differences in their strategic visions, they both focus on the importance of working together towards a common goal.

In addition to different strategic preferences, there are instances of failed coordination. For example, in 2006, in an action where both centrals were supposed to sign a list of common demands, including that of a national collective agreement, and present it jointly to ANFAVEA, one of the centrals withdrew at the last moment. Nevertheless, there is increasing evidence of cooperation between CUT and FS.

Most labor leaders—both CUT and FS—see national level collective bargaining as resulting in agreements that would establish minimum and, respectively, maximum working conditions for the category of metalworkers. Establishing a minimum wage for the category of metalworkers nationally is the first priority of both FS and CUT. The second parameter they would like to establish through national level collective bargaining is the maximum number of weekly working hours:

*“We will need a national level agreement for minimum things [...]. We have a vision to have a national level collective bargaining agreement in the future. [...] I will give you an example – the Mitsubishi workers in Catalão, the minimum wage there is R650; here in Curitiba it is almost R1,200. If we had a national level collective bargaining agreement, we would be able to level the wages; today I cannot make much progress [in obtaining wage increases for my workers] because there are many plants around the country, and the automotive sector expanded beyond the São Paulo area to the rest of the country [...]. Establishing a minimum wage and a maximum workweek for the category will prevent companies from trying to run away and relocate in places where the labor movement is not very organized, where workers do not have as much knowledge.”*⁴⁴

These insights offered by a FS union leader from the state of Paraná—who would become president of the CNTM in 2008—illustrate the interest of both labor centrals to use centralized collective bargaining to reduce differences across plants. In so doing, the risk of investment flight from the more traditional industrial areas with strong unions.

Campaign against “Amendment 3.” In March 2007, President Lula signed into law a bill creating the “Super Receita,” a public organization combining the revenue collection units from the federal tax service with the social security tax collections. However, Lula vetoed the controversial “Amendment 3,” which was added by a group of members of parliament to the tax

⁴³Grana, Carlos Alberto. 2007. Interview by author. São Paulo, São Paulo, Brazil, August 20.

⁴⁴Tomaz Vieira, Clementino. 2007. Interview by author. Curitiba, Paraná, Brazil, August 1.

reform bill and approved by Congress by a large margin. The amendment prohibited tax collectors from deciding whether a self-employed professional could be considered a firm or a regular individual tax payer. The amendment was interpreted by the labor unions as facilitating an increase in the number of self-employed professionals, who are not unionized and do not receive social benefits such as paid holidays and healthcare (Solis 2007). As the members of parliament who had introduced the bill were threatening to override the president's veto, both CUT and FS mobilized and organized separate as well as joint protests and demonstrations against the amendment. On the last day of the International Metalworkers' Federation Central Committee Meeting in Salvador, Bahia, Brazil in November 2007, CUT and FS leaders invited the other participants at the meeting to join them in a march along the streets of Salvador protesting against precarious work.

Campaign to Reduce the Working Week. One of the joint goals of CUT and FS has been to reduce the working week from 44 to 40 hours across Brazil with the goal of encouraging the creation of new jobs and avoiding exploitation of workers. Currently the average work week of a metalworker is 42 hours in Sao Paulo, 44 hours in Salvador, and 47 hours in Recife, with 65.1% of workers exceeding the maximum number of hours allowed by law (DIEESE 2003: 37-42). In 2007, the two metalworkers' confederations starting planning a joint campaign to reduce working time.

Joint Actions Involving the Presence of the International Metalworkers' Federation in South America. According to Valter Sanches, Secretary General and Secretary of International Relations of CNM/CUT, Carlos Alberto Grana, President of CNM/CUT and Eleno Bezerra, President of CNTM, had an agreement to collaborate towards a joint implementation of a Brazilian Committee of the International Metalworkers' Federation.⁴⁵ By 2008, this committee had not yet been implemented. However, when the International Metalworkers' Federation changed its rotating office in South America from Santiago in Chile to Montevideo in Uruguay and opened to the Brazilians the position of Adjunct Coordinator of the office in Montevideo, Bezerra and Grana jointly agreed to nominate Marino Vani—at the time Vice-President of CNM/CUT—for the position (CNTM 2008).

Eleno Bezerra, on the occasion of the joint nomination by CNM/CUT and CNTM/FS of Vani to the position of Adjunct Coordinator of the regional office of the International Metalworkers' Federation, re-affirmed the growing unity between the two confederations and their labor centrals:

“The unity of the CNTM and CNM confederations, which together represent 90% of metalworkers in the country, is beyond any doubt one of the main elements of the new reality of the Brazilian labor movement. Following the example of the joint actions of FS and CUT, in the defense of workers' rights, this maturation is crucial for both confederations, as they continue to grow and become ever more reference points for the Brazilian metalworkers. The nomination of brother Marino Vani to the position of Adjunct Coordinator of the International Metalworkers' Federation's Office for Latin America and the Caribbean, based on a recent agreement between CNTM and CNM, is an important example of this unity project (Bezerra 2008).”

The joint nomination of Vani for the regional position with the International Metalworkers' Federation in Montevideo and the message of unity that both FS and CUT attached to this event emphasize the move towards higher cooperation in the 2000s between FS and CUT and between their corresponding metalworkers' confederations, CNTM and CNM.

⁴⁵Sanches, Valter. Interview by author. São Paulo, São Paulo, Brazil, March 9.

National Committees. Company level national committees are networks involving worker representatives from all plants of the same company located in Brazil. One of the aims of these committees is to promote company level collective bargaining, as a step towards national level collective bargaining. Because they have not yet been recognized by the business actors, currently the main function of the committees pertains to the exchange of information and a joint discussion of strategies vis-à-vis the company. In isolated cases, labor actors have achieved collective bargaining across plants of the same automotive corporation, regarding matters such as retirement funds.⁴⁶

The idea of building labor networks and more specifically national committees is not new, not even in its implementation in Brazil. The first steps were taken in the 1980s, when the Dutch non-governmental organization Tie started facilitating the concept of national committees and more generally labor networks in Brazil—exchanges of workers from various multinational corporations and an ongoing debate over building national and international labor networks have been part of Tie's mission from the organization's origins. In Brazil, in the 1980s, Tie facilitated the creation of a network for the multinational automaker Mercedes. At the time, the network consisted of representatives from the Campinas Metalworkers' Union and the ABC Metalworkers' Union—both of which were Mercedes plant locations. According to Tie, at the time CUT did not use this strategy yet of promoting labor networks.⁴⁷ By the 2000s, CUT and in particular CNM/CUT started promoting this strategy—the case of Volkswagen, currently the most advanced network, described below, shows how the initially CUT-promoted networks are now cutting across centrals.

According to Valter Sanches, currently for most automakers that have more than one plant in Brazil there is a national committee in place—Volkswagen, Daimler, General Motors, Ford. However, not all national committees are very active. The Volkswagen National Committee is currently the most active. In the case of Volkswagen and Daimler, international committees were already in place at the time the national committees were implemented in Brazil. In the case of Ford and General Motors, there are currently no international committees. However, through the International Metalworkers' Federation, there are currently international action groups that connect worker representatives from plants of the respective companies across the world. The intention of the International Metalworkers' Federation is to support these groups eventually to evolve into International Committees. In the case of Toyota, which has several plant locations in Brazil, there is currently no national committee.⁴⁸

Volkswagen has factories in five locations in Brazil: São Bernardo (cars), Taubaté (cars), São José dos Pinhais (cars), Resende (trucks), and São Carlos (engines). The workers at each one of these factories are represented by a different union. These unions are affiliated with different labor centrals. The ABC Metalworkers' Union (including São Bernardo) is affiliated with CUT. The Taubaté Metalworkers' Union is affiliated with CUT. The Greater Curitiba Metalworkers' Union (including São José dos Pinhais) is affiliated with FS. The Volta Redonda Metalworkers' Union (including Resende) has been affiliated with FS, then CUT, and currently it is independent, with union leaders leaning towards the Coordenação Nacional de Lutas (National Coordination of Struggles, CONLUTAS). The São Carlos union has been affiliated with the Central Geral dos Trabalhadores do Brasil (General Central of Brazilian Workers, CGTB)—a

⁴⁶Sanches, Valter. Interview by author. São Paulo, São Paulo, Brazil, March 9.

⁴⁷Bertoni, Sérgio. 2007. Interview by author. Curitiba, Paraná, Brazil, June 12.

⁴⁸Sanches, Valter. Interview by author. São Paulo, São Paulo, Brazil, March 9.

former faction of FS—and currently has a joint-union leadership between CGTB- and CUT-leaning union leaders.⁴⁹

Worker representatives from the five factories started meeting informally in 2002-2003. The first official meeting of the Volkswagen National Committee took place in 2004 in Taubaté. The Volkswagen Committee is the most advanced network of this type in Brazil. Union leaders representing workers at other companies are reproducing it. The next most advanced is the network of union leaders representing workers at Daimler-Chrysler factories. Union leaders representing Ford workers are in the early phases of establishing a similar committee.

Labor Central Practices Become More Similar, Moving towards a “Median Strategy.” Anner (2006: 7-27) has documented the shift in strategies that CUT and FS underwent from the 1980s to the 1990s. The changes in the practices of the two centrals that Anner discusses are parallel. He notes how CUT moved from militant strike activity to internationalist practices involving the construction of international labor alliances with union leaders outside of Brazil in an effort to minimize the negative effects of industrial restructuring. FS, on the other hand, and more generally unions affiliated with conservative labor centrals, moved from a scenario of national-level corporatist pacts between labor and the state to enlisting increased support from business actors.

In the 2000s, however, FS started adopting some of CUT’s practices of increased — although still lower—involvement with unionists from abroad, as evidenced by the increased importance given to the Office of the Secretary of International Relations within its federations and the international links established by the union leaders in this office. Another CUT practice adopted by FS was the heightened acceptance of institutions such as factory commissions that increase the presence of the union and more generally worker representatives on the shop floor. In addition, FS started to organize more events such as congresses, conferences, and seminars where leaders from various unions affiliated with the central had the opportunity to exchange information and coordinate action.

A member of the Friedrich Ebert Foundation–Brazil comments that despite the marked conflict in the 1990s between the two major labor centrals, CUT and FS, they started talking to each other at the end of the 1990s and beginning of the 2000s. In her opinion, the strategies of the two labor centrals have become more similar in that CUT has become more mature, less radical, and has shifted its discourse into one of negotiation, which is closer to the approach of FS. At the same time, FS, perceived in the 1990s as a bread and butter labor central, came to realize towards the end of the 1990s that it could not survive based solely on state resources, and thus increased its presence and activity on the shop floor. According to her, while both labor centrals have modified their practices and become more similar in the process, CUT has changed more and is the main actor behind joint actions such as a national campaign backed by five labor centrals for a nationwide reduction of work hours from 44 to 40 hours per week.

CUT and its affiliated unions, federations, and confederations organize frequent congresses, conferences, and seminars. The metalworkers’ unions, federations, and the national confederation affiliated with CUT organize congresses every three years. By comparison, FS

⁴⁹ The Volkswagen National Committee has been created such that the committee members do not have to be union leaders, but factory commission members. All Volkswagen factories in Brazil have factory commissions. Factory commissions are a body of representation for workers inside the plants; they do not have to be linked to the union, but typically they are. Most Volkswagen factory commissions in Brazil are CUT-leaning, including some of the cases when the respective unions are not. However, all five unions have been supportive of the network, even though the degree of their direct involvement in the network varies.

entities have traditionally organized considerably fewer such events. The Federation of Metalworkers of the state of São Paulo, dominated by FS, did not organize any congresses throughout the 1990s and well into the 2000s. However, in 2007, this federation organized a congress similar in many ways to the congresses organized by the corresponding CUT federation. Also, as part of the ongoing work related to the push for national collective bargaining, CNTM organized in 2007 a series of national seminars per subsector aiming to increase cohesion in the subsectors, discuss subsector specific concerns and challenges, and educate union leaders about the national collective bargaining project. These seminars were inspired in part from the sectoral seminars held by CNM/CUT in the late 1990s.

At the CNTM Congress held in 2006 in Praia Grande, one of the resolutions was to organize periodic congresses of the state-level federations affiliated with FS. At the Congress of the Federation of Metalworkers of the State of São Paulo in 2007, Chiquinho, the coordinator-general of the congress, said in his talk that he visited all the FS metalworkers unions in the state of São Paulo in preparation for the congress. During these visits, he asked for their input, their suggestions, and what the federation could do for them. Juruna said in his speech at the same event that they were reviving a historic tradition, a historic idea, as before—in the 1980s—unions used to have congresses but recently they had not followed the tradition, as this was the first congress for the federation in a long time.⁵⁰

FS has also embraced the CUT practice of offering extensive training to its union leaders. The leadership of the CNTM has initiated a series of national seminars for each subsector of the metalworkers with the main purpose of educating labor leaders about national level collective bargaining.

An additional traditionally CUT practice in the process of being adopted by FS unions is union democracy, which refers primarily to the direct involvement of workers who are not union leaders in the union, the ultimate goal being that the union does not impose on the workers, but that the whole movement incorporates grassroots characteristics. In an interview by the author in 2007, Juruna admitted that CUT still practiced union democracy more than did FS and that many FS labor leaders felt threatened by the concept. However, he believed it was a good practice that should be implemented by all unions.⁵¹ Moreover, Eleno Bezerra at Congress of the Federation of Metalworkers of the State of São Paulo/FS asserted the need to build a strategy for increasing union democracy and encouraged union leaders not to fear change, as union democracy is a positive practice for the workers.⁵²

Federations and Confederations. The Brazilian labor code dictates the existence of one national confederation for each industrial sector and one federation for each industrial sector in each state. In the case of the metalworkers—of which the auto workers are a part—these institutions have existed on paper but were not significantly active until recently. In 1992, CUT created FEM/CUT, a second metalworkers' federation in the state of São Paulo, parallel to the existing, official one, as well as a second national metalworkers' confederation. Since then, CUT has created additional parallel federations in other Brazilian states. The parallel confederation and federations were officially recognized in 2005, with the consent of FS (with which the official confederation and federations are associated).

⁵⁰ Participant observation by the author. 2007. Praia Grande, São Paulo, Brazil, July 20.

⁵¹ Gonçalves, João Carlos Juruna. 2007. São Paulo, São Paulo, Brazil, July 15.

⁵² Participant observation by the author. 2007. Praia Grande, São Paulo, Brazil, July 20.

The creation of parallel confederation and federations in the 1990s furthered the divide between CUT and FS. Throughout the 1990s and into the early 2000s the parallel confederations and federations acted in fierce competition with the official federations and confederations associated with FS. At the same time, the active CUT affiliated federations and confederations promoted unity within CUT, through periodic meetings, congresses, training, financial and logistical support involving CUT unions.

In the 2000s CNTM, at the time the only official confederation of metalworkers, entered negotiations with the parallel entity affiliated with CUT. In 2005, CNTM and their labor central, FS, recognized CNM—under the auspices of the Ministry of Labor. The recognition of the parallel CUT federations and confederations by FS and by the national government had various unifying consequences. At the same time that the parallel federations and confederations have intensified their activities, those associated with FS, formerly inactive, have also started to initiate activities meant to bring their members together—including the congresses and seminars mentioned above. At the same time, the two confederations of metalworkers started pursuing an ever-increasing number of joint projects and actions, primarily centered around the goal of national level collective bargaining.

Conflicts of Representation and a Top-down Increase in Cooperation. While at the top of the pyramid structure, and in particular at the level of the two confederations of metalworkers, CNM/CUT and CNTM, a series of joint actions have been developed and implemented since the beginning of the current decade, as the local level conflicts of representation persisted. These conflicts and their resolutions will be presented below. It is important to note that, while local resentments often persisted, most of the conflicts were resolved by the second half of the current decade. Currently, as many informants suggested, there is a tacit peace treaty between the two labor centrals regarding control over local unions. Especially with the more established unions—but also with less established unions in the second half of the current decade—there is a tacit understanding of which labor central controls which union. Indeed, the judicial conflicts have been resolved and observing union elections since 2007, one can notice that the great majority of electoral disputes are not between CUT and FS. A pattern of electoral dispute that has been much more common in recent years has been between CUT and former CUT groups such as CONLUTAS:

“I think that in the decade of the 1990s we [CUT] had more conflicts [of representation] with FS, but I think that this relationship with FS has improved, we have gotten closer [...] we already have cases of joint-union leadership, for example in São Caetano do Sul. There are other projects for joint-union leadership underway that could re-enforce this closeness [between the two labor centrals] in the metalworkers’ sector. And for sure the more direct conflict is now really with CONLUTAS.”⁵³

The elections of the Taubaté Metalworkers’ Union in 2007 and of the ABC Metalworkers’ Union in 2008 were examples of an electoral dispute involving CUT and CONLUTAS.

No union in Brazil is required to affiliate with a labor central. However, most unions do, as a labor central is considered to provide support of various types, including political. If a newly formed or otherwise independent union seeks to affiliate itself with a labor central, there become opportunities for labor centrals to compete informally for the loyalty of the respective union. In practice, even in the context of decentralization of the automotive industry, the cases of newly formed unions are rare because in most geographic locations, even if car assembly plants had not

⁵³ Grana, Carlos Alberto. 2007. Interview by author. São Paulo, São Paulo, Brazil, August 20.

previously been located there, metalworkers' unions already were in place. However, some isolated cases merit interest and will be discussed below. Other possible types of conflicts of representation are electoral—when two or more groups, generally identifying with different labor centrals, compete against each other for the union leadership—and judicial, when two unions dispute their bases of representation and both claim the legal-locative right to represent workers at a particular plant.

The Case of Catalão, Goiás, and the Newly Formed Union. Mitsubishi went to Catalão, Goiás, in 1998. Car assembly started, slowly, in 1999. By the end of 1999, thirteen cars per day were assembled in the new factory. There were no major industrial plants in the state of Goiás at the time, and much less in Catalão, a city with a population of 70,000 located 260 km from the capital of the state, Goiânia. At the time, there was no local metalworkers union in Catalão. As the law dictates in such cases, the representation went automatically to the state federation of metalworkers. In the case of Goiás, this is an independent federation that has, however, been affiliated with the FS for a period of time. According to Carlos Albino de Rezende, the current president of the Catalão Metalworkers' Union, representatives of the state federation never entered the plant in Catalão. All labor negotiations concerning the plant in Catalão were conducted between representatives of Mitsubishi and the state federation of metalworkers in Goiânia.

In 2003, Carlos was a member of Comissão Interna de Proteção de Acidentes (Internal Commission for the Prevention of Accidents, CIPA), a form of organization that has to exist by law in every vehicle assembly plant. Concerned with irregularities that he noticed inside the plant, he contacted the federation of metalworkers, who promised to look into the problems presented by Carlos. As the problems continued unresolved, Carlos started thinking about how to organize a local labor union. By 2004, nineteen workers at the Mitsubishi factory were holding regular meetings at Carlos' house, discussing how to organize a union. Lacking knowledge regarding the formal procedures necessary, they contacted a labor lawyer. The lawyer confessed to having little experience to this regard, but agreed to help them.

As required by law, the group published an announcement in the official newspaper of the state of Goiás, informing that there would be a public meeting of all Mitsubishi workers interested in attending, where the creation of a local labor union would be voted on. At the time, there were 800 workers at the Mitsubishi plant in Catalão. 109 showed up at the meeting. Representatives of the state federation of metalworkers who attended the meeting told Carlos and his group that a minimum of 400 workers had to be present at the meeting for the creation of the new union to be validated.

Another important person present at the meeting was Roberto Marcial Leme, the president of the metalworkers' union of Goiânia, which was affiliated with FS. Roberto had seen the announcement in the newspaper and showed up to see if there was anyone present from FS or from CUT. Roberto left without talking to Carlos. However, after the meeting, he gave his business card to a worker and asked him to pass it on to Carlos, with the message that they were doing everything wrong and that they should get in touch with him.

With Roberto's help, Carlos and his group organized a new meeting, on June 24, 2004, where 121 Mitsubishi workers were present and the creation of the labor union of metalworkers, metal-mechanic workers, and electric material workers of Catalão was approved. The next step for the union to be legally validated is to register it with the Ministry of Labor and Employment. Roberto helped with making the petition to register the new union. The petition remained

unanswered. This delay in answering a petition to register a labor union is not uncommon in Brazil. Meanwhile, Mitsubishi continued to negotiate with the state federation of metalworkers of Goiás.

In 2004, the Dutch non-governmental organization Tie organized a seminar for the automotive sector in Curitiba, with the participation of both the CUT-affiliated CNM and the FS-affiliated CNTM. Roberto took Carlos to this seminar, where he presented the situation of the new union in Catalao and asked for support. At this time, the Catalao union was not affiliated with any labor central; however, due to the support he had received from Roberto, Carlos felt committed to FS.

Both representatives of FS and CUT offered to help Carlos, directly through the labor centrals and also through their respective confederations and stronger affiliated unions. The Curitiba Metalworkers' Union—affiliated with FS—produced the first union newspaper for Catalão. The São Paulo Metalworkers' Union—also affiliated with FS—was helping the new union pay their electricity bills, while CNTM was helping them pay rent for the union offices.

CNM, on the other hand, helped the new union with speeding up the answer to their petition to register. They also invited Carlos to spend a week in São Bernardo (the metalworkers' union of São Bernardo, affiliated with CUT, is the strongest, most experienced metalworkers' union representing workers in vehicle assembly plants), to become familiarized with their work. Carlos met with union leaders from various car assembly plants, participated in early morning meetings with workers at the car assembly plants, and was generally very impressed with the work of the union. However, he rightly explained that he owed it to Roberto, their first supporter, to affiliate with FS.⁵⁴

Volta Redonda and Electoral Disputes—When Two Elephants Fight, the Mouse May Win. The union of Volta Redonda in the state of Rio de Janeiro is a case that has been the locus of intense dispute between CUT and FS through the 1990s and into the 2000s. The conflict of representation between CUT and FS subsided following the union elections of 2006, when all the groups identifying with the two centrals lost in favor of an independent slate, with the subsequent leadership maintaining the union unaffiliated with any labor central. CUT and FS are still interested in the union, but neither is currently actively contesting leadership of the union and in fact, one possible future strategy may be attempting to implement a CUT/FS joint-union leadership strategy.

The union of Volta Redonda represents workers in Volta Redonda and various surrounding municipalities including Resende and Porto Real, where the plants of Volkswagen and, respectively, Peugeot, are located today. In the 1980s, the Volta Redonda union was affiliated with CUT. In the 1990s, parts of the union leadership switched their loyalties to FS. These union leaders who became loyal to FS went on to win a union election. In the aftermath of the election, the entire Volta Redonda union became affiliated with FS. By the time Volkswagen opened its plant in Resende and Peugeot opened its plant in Porto Real, the union was a FS affiliate (Ramalho and Santana 2002: 94-99). The metalworkers' union had always had important plants under its jurisdiction. One of the main companies was the Companhia Siderúrgica Nacional (National Steelworks Company, CSN), the largest fully integrated steel producer in Brazil. Another important company whose workers were represented by the Volta Redonda Metalworkers' Union was Volvo. However, with the opening of the Volkswagen and Peugeot

⁵⁴Albino de Rezende, Carlos. 2007. Interview by author. Curitiba, Paraná, Brazil, August 3.

plants in the 1990s, the stakes for the union increased significantly, and the conflict of representation between CUT and FS, in a first phase, intensified.

The Volta Redonda union had historically been a progressive union, having organized strikes as early as the days of the military dictatorship. When the CSN, originally a state-owned enterprise, was privatized in 1993, tensions arose within the union between groups that favored the bread and butter unionism typical of FS and groups that wanted to continue the progressive tradition. Union elections held in the aftermath of the privatization of CSN were won by a group that identified with FS and had the support of the company. In the early 2000s, Luizinho and Peruti, the main leaders identifying with FS, came into conflict with each other. The ensuing crisis in the union created opportunities for a transition period. To distance himself from Luizinho, Peruti dropped his allegiance for FS and looked support among some former labor activists who identified with the CUT. The next step in the sequence of events was a disaffiliation of the union from FS and a re-affiliation with CUT. In the following union elections, three groups entered the competition. One identified with CUT, another with FS, and the third one was independent, with some of its members leaning towards CONLUTAS. None of the three slates obtained 50% of the votes, but the independent group obtained the largest number of votes and won the election.⁵⁵

The Case of Gravataí, Rio Grande do Sul, and Judicial Disputes. Judicial disputes occur when a new large plant opens and labor central organizers try to form a new union using the monopoly of representation principle to their advantage to legally or judicially claim representation rights over an already existing union of a different central to which the plant would automatically belong. When General Motors opened a new plant in Gravataí, Rio Grande do Sul in 2000, there were no municipal level metalworkers' unions in Gravataí. However, in the absence of a municipal level union, the workers of the new plant would have been automatically represented by the Porto Alegre Metalworkers' Union, an affiliate of CUT, which had jurisdiction over the municipalities surrounding Porto Alegre, including Gravataí. General Motors had a preference for a smaller, local, less established labor union, affiliated with FS rather than CUT.⁵⁶ At the same time, within the Porto Alegre Metalworkers' Union there had been some tensions and former leaders unsatisfied with their advancement in the union. With the support of the company, and of the law—in particular, the monopoly of representation principle—the disgruntled former Porto Alegre union leaders formed a municipal level metalworkers' union in Gravataí, and affiliated it with FS. Bitter years of judicial dispute between the metalworkers' unions of Gravataí and Porto Alegre followed. A final legal decision was reached in 2007, giving the Gravataí Metalworkers' Union the right of representation based on the monopoly of representation principle.⁵⁷

As seen in the examples above, the 1990s and early 2000s were characterized by a variety of conflicts of representation between CUT and FS, ranging from informal competition over newly formed or independent unions to judicial to electoral disputes. In addition to the examples discussed above, it is important to mention the long-standing Movimento de Oposição Metalúrgico de São Paulo (Opposition Movement of São Paulo, MOSP), a group associated with one of the more radical factions of CUT that actively opposed the FS leadership of the São Paulo Metalworkers' Union. Some of these conflicts continued into the 2000s and, for those that were

⁵⁵Grana, Carlos Alberto. 2007. Interview by author. São Paulo, São Paulo, Brazil, August 20.

⁵⁶Ascari, Valcir Quebramola. 2007. Interview by author. Gravataí, Rio Grande do Sul, Brazil, August 9.

⁵⁷Nespolo, Claudir. Interview by author. 2007. Porto Alegre, Rio Grande do Sul, Brazil, August 8.

resolved, tensions at the local level persisted. However, most conflicts of representation between CUT and FS had been solved by the 2000s, including the dissolution of the MOSP group in São Paulo. Even in cases where local frictions were difficult to erase, top-down cooperation prevailed.

In electoral contexts, conflicts of representation are not things of the past. However, nowadays, the dispute tends to be primarily between CUT and former CUT factions that have split off and formed their own labor centrals. The significant reduction in conflicts of representation has facilitated increased cooperation among CUT and FS.

Joint-union Leadership. Another phenomenon that points towards increased cooperation in the Brazilian labor movement is that of joint-union leadership. Through union leadership comprised of members identified with different labor centrals, CNM/CUT has been promoting these arrangements so far successfully in the case of the São Caetano do Sul Metalworkers' Union, located in a traditional investment area in the state of São Paulo. The joint-union leadership in São Caetano do Sul is comprised of union leaders who identify with FS and union leaders who identify with CUT. Talks currently are underway for a similar arrangement in Santo André, which is part of the traditional investment area in the state of São Paulo. These are unions that CUT has sought to control in the past by competing in union elections. The strategy has now changed from one of open competition to one of cooperation.

The joint-union leadership model is still “experimental,” even from the perspective of the president of the CNM, who masterminded this initiative:

*“It is an experiment, I do not know if it will work, but I think it will. At least so far, it has been a positive experience. Now we can talk again ten years down the road to see how it turned out, but I believe it is the correct path... the tendency is towards unification, of having joint-union leadership in more unions. Lula himself did this, he never sought conflict with the union leadership, he always changed the union from the inside.”*⁵⁸

It is still very recent—2007—and the actors involved are not sure themselves how it will develop. After years of often bitter fighting between the two groups, one can hardly expect sudden perfect harmony. And indeed, while they have joint activities, union leaders still participate separately in some events organized by the individual labor centrals with which they identify—and, no doubt, they would all prefer that their group had total control over the union. The decision to accept joint-union leadership had its pragmatic side. FS, who previously controlled the São Caetano do Sul union, accepted this compromise because the CUT group represented a real threat in the elections. Rather than taking the risk of losing the elections, the FS preferred the joint-union leadership option. The CUT group, on the other hand, after trying—and failing—in repeated elections to gain control over the union, preferred a slice of the pie over risking being left out entirely yet again.

Nevertheless, it is a great step forward that these opposing groups would accept working together in this way. Not only was such a strategy unthinkable in the past, but it continues to be unthinkable today vis-à-vis groups who identify with particular labor centrals. The president of the CNM envisions joint-union leadership projects in other cases, such as that of Santo André, where there has been a long dispute between FS and CUT. However, he believes joint-union leadership between CUT groups and CONLUTAS⁵⁹ groups are out of the question.

⁵⁸ Grana, Carlos Alberto. 2007. Interview by author. São Paulo, São Paulo, Brazil, August 20.

⁵⁹ Former radical faction of the CUT that split off forming a separate central.

VI. Conclusion

Table 3.1 illustrates the values of the four indicators for within and between labor central cooperation in Brazil in the 1990s and the 2000s.

	Joint Projects	Joint Actions	Union Networks	Conflicts of Representation
Within Labor Centrals in the 1990s	High	High	Low	Low
Between Labor Centrals in the 1990s	Low	Low	Low	High
Within Labor Centrals in the 2000s	High	High	High	Low
Between Labor Centrals in the 2000s	High	High	High	Moderate

Table 3.1
Indicators of Cooperation in Brazil

The level of cooperation within labor centrals was similarly high over the two decades under study. Of the four indicators for cooperation, union networks were the only one that changed significantly from the 1990s to the 2000s. Union networks in Brazil took the form of committees composed of union representatives from the various plants of a multinational corporation. A company's factories may be represented by some unions affiliated with the same labor central and some affiliated with different labor centrals. Therefore, union networks were not feasible unless the level of cooperation was high not only within but also between labor centrals. In Brazil in the 1990s, all the indicators suggested a low level of cooperation between labor centrals. In the absence of inter-central cooperation, comprehensive national committees could be formed, even if the overall level of intra-central cooperation was high.

A slight increase in cooperation within FS, which is not captured by table 3.1, occurred in the 2000s, in the context of more similar practices for the two labor centrals. More specifically, FS started to implement cooperation-building tools such as regional and national congresses, conferences, and training sessions, which used to be the trademark of CUT. The increasing similarity of practices, corroborated with the increase in union networks, resulted in a slightly higher level of cooperation within labor centrals in Brazil in the 2000s.

A much more striking difference occurred in the level of cooperation between labor centrals. A major joint project was initiated, the joint pursuit of national level collective bargaining. This joint project generated multiple joint actions, starting with the Strike Festival at the very end of the 1990s. In addition, the reduction in open conflicts of representation between FS and CUT and the development of union networks involving unions affiliated with both labor centrals led to a significantly higher level of inter-central cooperation in the 2000s.

Given that both FS and CUT are dominant labor centrals in Brazil, and that the level of cooperation within each one was already high in the 1990s and remained high throughout the 2000s, the increase in cooperation between the two centrals translated into an overall high level of cooperation in the Brazilian labor movement in the 2000s.

The factors that facilitated this increase in cooperation are discussed in depth in Chapter 5. The present chapter suggests that the existence of extensive training programs—which CUT practiced throughout the two decades and FS started to practice in the 2000s—is a condition favorable to cooperation within a labor central. Moreover, the number of dominant unions within a labor central appears to be correlated with the level of decentralization within that central, with a higher number of dominant unions corresponding to a more decentralized labor central. In turn, a higher level of decentralization corresponds to a lower level of cooperation.

Chapter 4

Decreasing Cooperation: The Evolution of the Mexican Labor Movement from the 1990s to the 2000s

I. Introduction

While the level of cooperation within the automotive sector of the Brazilian labor movement increased between the 1990s and the 2000s, the corresponding sector of the Mexican labor movement underwent a decrease in the level of cooperation.

The structure of the Mexican labor movement is significantly different from that of the Brazilian labor movement. In Brazil two labor centrals dominate the labor movement, and have similar shares of representation among auto workers. In Mexico, in a context of several existing peak labor organizations, the CTM⁶⁰ is the single dominant labor central in the labor movement as well as in the case of the auto workers' unions. Of the 18 unions representing workers at car assembly plants in Mexico in 2007, 16 were affiliated with the CTM. As a result, in Mexico, the composite level of cooperation within the labor movement has been heavily influenced by the dynamics within the CTM.

The level of cooperation between labor centrals in Mexico remained low throughout the two decades. More interestingly, the CTM experienced a sharp decrease in the level of within central cooperation between the 1990s and the 2000s. This trend was evidenced primarily by the break-up of existing union networks within the CTM and the emerging conflicts of representation between CTM-affiliated unions.

Few authors have written about cooperation tendencies in the Mexican labor movement in the current decade. Among them, Jones Tamayo (2006: 363-384) described the fragmentation that the Mexican labor movement started to experience in the second half of the 1990s and focused on the break-off of segments of the CT. The same author also discussed the convergence of these segments with other labor actors that led to the creation of the UNT in 1997.

While the UNT is an important actor in the Mexican labor movement, it is very far from having the reach or dominance of the CTM. Its creation on the one hand is an indication of decentralization and fragmentation within the CTM, and on the other hand it has not generated increased cooperation among the segment of Mexican labor not affiliated with the CTM.

The head of the UNT is Francisco Hernández Juárez, secretary general of the Sindicato de Telefonistas de la República Mexicana (Telephone Workers' Union of the Mexican Republic, STRM). Hernández Juárez's trajectory in the labor movement included an initial opposition to CT practices and a desire to transform the STRM, whose leader he became in 1976, into a more democratic and progressive union. However, by 1987, his strategies were more closely aligned with the CT, and he became leader of the CT the same year. As president of the CT, Hernández Juárez championed the propagation of the "new labor culture," adopted by the majority of CTM

⁶⁰ The CTM is the main organization within the CT, the highest level peak labor organization in Mexico that was designed to group all corporatist labor organizations.

and CT-affiliated unions. In 1990, he formed the Federación de Empresas de Bienes y Servicios (Federation of Unions of Firms of Public Goods and Services, FESEBES). By 1995, Hernández Juárez had become involved in the creation of El Foro (The Forum), a union grouping composed mainly of CT-affiliated unions as well as some non-CT unions that opposed some of the CT and CTM policies. This union grouping formed the basis of what, through a series of splits and re-configurations would become the UNT two years later.

The UNT was created in the aftermath of the death of CTM leader Don Fidel Velázquez and of electoral setbacks suffered by the PRI in the summer of 1997. At its foundation in November of 1997, the UNT comprised segments of the El Foro group, unions affiliated with the Frente Auténtico del Trabajo (Authentic Labor Front, FAT), other labor unions, rural and social organizations. The UNT represents 1.5 million workers in Mexico, which is a significant but relatively low number in comparison with the CTM. The UNT was structured to include three collegiate presidents. The three most important unions affiliated with the UNT are the STRM, the Sindicato Nacional de Trabajadores del Seguro Social (National Union of Social Security Workers, SNTSS), and the Sindicato de Trabajadores de la Universidad Nacional Autónoma de México (Union of Workers at the National Autonomous University of Mexico, STUNAM). The secretary general of each one of these three unions is also a collegiate president of the UNT. Hernández Juárez is secretary general of the STRM and one of the collegiate presidents of the UNT (Velasco 2008: 5-6).

While Jones Tamayo (2006: 363-384) interpreted the creation of the UNT as providing evidence of both fragmentation and convergence in the Mexican labor movement, García and Ocaña (2004: 6-10) and Babson and Juárez (2007: 23-40) emphasized the lack of coordination among Mexican unions in the automotive industry and, more broadly, in the metalworking industries. They discussed the importance of union networks, the attempts by outside actors—an international labor federation and scholars, respectively—to create a metalworkers and an automotive network in Mexico and the ultimate failure of these attempts. The present study uses the specific examples of union network failures addressed by these authors as evidence for a broader argument about decreasing cooperation and its causes.

This chapter provides evidence for the continuing low level of between labor central cooperation in Mexico in the 1990s and 2000s and focuses on the trend of decreasing cooperation within the CTM.

II. Within Labor Central Cooperation

As discussed in the previous chapter, cooperation can be expected to occur naturally among unions affiliated with the same labor central. In the case of the CTM in Mexico, cooperation within the central occurs to a large extent in the 1990s, but it starts decreasing in the latter part of the 1990s and continues to decrease more pronouncedly in the 2000s.

The CTM in Mexico, similar to Brazilian labor centrals, has a national level representation with the headquarters located in the nation's capital and state level representation in each state. In addition, the CTM in Mexico also has representation at the municipal or regional levels—where regional refers to a group of municipalities. In the state of Coahuila, for example, there are 13 municipal or regional CTM organizations, which cover 38 municipalities and together make up the state level CTM organization.

In the 1990s and earlier, the CTM was a highly centralized organization. Executive decisions would be made at the national headquarters and the autonomy of the regional and municipal CTM organizations was limited. In the 2000s, however, the role of subnational CTM organizations started to change. These organizations were no longer solely carrying out decisions made at the national level. Instead, they acquired increasing autonomy and some developed into important centers of power. A member of the CTM old-guard, disciple of Fidel Velásquez, still claimed in 2007 that

*“we have dedicated ourselves to offering workers professional training for the workplace and ideological training. The main pillars of the CTM that make it strong are having great unity, great discipline, and great loyalty. These are three values that Don Fidel has inculcated. We have always followed this and we continue promoting these values as the basis of the CTM.”*⁶¹

This may have been the case in the 1990s and earlier, and many CTM leaders that were in positions of power within the labor central at the time may wish that situation continued. Yet in the 2000s the CTM started a process of ever-increasing decentralization. The values of unity, discipline and loyalty are coming into question in situations where CTM-affiliated unions enter into conflicts of representation with each other and where CTM leaders form local power bases and alliances in opposition to preferences of the national leadership of CTM.

II.A. Within Labor Central Cooperation in the 1990s

Joint Projects and Actions in the 1990s. The level of cooperation among auto workers unions affiliated with the CTM was moderate in the 1990s and is primarily reflected in the existence of union networks and the lack of within labor central conflicts of representation. Auto workers unions did not participate in significant joint projects and actions in the 1990s or the 2000s, with some exceptions. In 1996, for example, the CTM, with the support of the Friedrich Ebert Foundation, organized a meeting in the city of Guanajuato, where several CTM-affiliated labor unions representing workers in car assembly plants as well as some parts suppliers came together to discuss the economic crisis that Mexico was experiencing at the time (García and Ocaña 2004: 15).

Union Networks in the 1990s. In the 1990s in Mexico, union networks existed in the form of two national level auto workers unions: one representing workers at all Ford plants and one representing workers at all Chrysler plants. These unions have had local leaderships for each one of the plants as well as a national leadership overseeing all the plants. Collective bargaining would take place separately for each plant, with the participation of the respective local leaderships and the national leadership. Both the Ford and the Chrysler national unions were affiliated with the CTM. In the case of the other multinational corporations, I find no evidence of cooperation among unions representing workers at different plants of the same multinational automotive corporation.

Throughout the 1990s and the 2000s, at the state level in Mexico there were multipartite social dialogue forums—committees for the productive sectors—focused on processes of industrial restructuring, employment policies, training policies, social security, and education. Labor unions, in particular CTM labor unions, have had a limited participation in these forums. Other actors involved were the government, business, the educational sector, and different types of non-governmental organizations.

⁶¹ Ramírez Gamero, José. 2007. Interview by author. Mexico City, DF, Mexico, November 15.

Conflicts of Representation in the 1990s. In Mexico, the typology of conflicts of representation is different from Brazil. In Brazil, many conflicts of representation occur either in an electoral competition or in a judicial context, when labor groups attempt to establish unions at the municipal level and use the monopoly of representation principle to win representation rights over a broader labor organization that had previously incorporated that municipality. In Mexico, however, most conflicts of representation occur between two different unions who compete for representation rights at a company outside electoral competitions, as is discussed below. The difference in prevailing types of conflicts of representation in the two countries is a result of the differing institutional frameworks. Although the typology of conflicts of representation is constrained by the institutional framework, the goal and the typology of actors involved is the same. The goal is to gain representation rights in a particular location. The actors are union groups affiliated with the same or with different labor centrals.

In the absence of a territorially defined monopoly of representation, unions in Mexico are more easily formed than in Brazil—anyone can form a union at any time. Thus there are no conditions justifying conflict in relation to the formation of a union. If a labor central is interested in gaining control over a particular plant, it does not need to gain control over an existing union. Instead, it may create a new union. The conflict arises in the competition for representation rights for a particular plant. One juncture at which representation rights for a plant are determined is when the plant first opens. The second juncture is union elections, although in practice union elections in Mexico, both in the 1990s and in the 2000s, were not significant loci of contestation, due to the pervasive lack of free and fair elections. Some significant exceptions will be discussed below. The third and most common type of conflict arises when a union claims preference among the workers of a particular plant over the union that currently holds representation rights at that plant.

In the 1990s there were virtually no open conflicts of representation among unions affiliated with the CTM, indicating a high level of cooperation and coordination within the CTM. This corresponded to a highly centralized organization wherein the national hierarchy made decisions that were diffused and respected throughout the state branches of the central and the affiliated unions. This situation, as discussed in the second part of this chapter, has changed significantly in the 2000s.

II.B. Within Labor Central Cooperation in the 2000s

Joint Projects and Actions in the 2000s. In the 2000s there are some examples of joint projects and actions within Mexico's labor centrals. For example, in 2002 CTM unions jointly participated in a roundtable hosted by the Ministry of Labor and Social Welfare that resulted in the elaboration of a Labor Law Reform Proposal (Alcalde Justiniani 2003: 18-25). Overall, the number and extensiveness of joint projects and actions within the CTM, in particular those involving CTM-affiliated auto workers unions were comparably low in the 1990s and in the 2000s.

The state-level multipartite social forums from the 1990s continued to exist, in theory, throughout the 2000s. However, in practice they were plagued by the same challenges of limited participation, due to the weakening of the ties between CTM and the national, state, and local governments. In addition to these forums initiated by the national and state governments, the national CTM has maintained throughout the 1990s and 2000s an educational program that has

had the potential to facilitate cooperation among unions. However, the process of decentralization experienced by the labor central has, in practice, prevented these courses and seminars from being organized at the national level. Mauricio Montiel Coello, coordinator of training programs for the CTM Department of Education, described how, on occasion, the training sessions are organized at the state or sub-state level, and most frequently they are organized for a single union, upon the union's request.⁶²

Within other centrals, such as the UNT, there were also joint actions around an alternative Labor Law Reform Proposal (Alcalde Justiniani 2003: 21-22) and in support of non-CTM unions. The Friedrich Ebert Foundation continued to organize some seminars and meetings for CTM and non-CTM affiliated unions. However, a majority of these seminars were held for a specific union rather than a group of unions.

The UNT itself, since its creation in 1997, started organizing some joint actions and projects for its members. As members of the UNT indicated, the range and scope of these activities has been very limited. The UNT did not develop a systematized labor leader training program. Only a few seminars were organized each year in response to a request made by a specific union, similar to the seminars organized by the CTM.⁶³

The Sindicato Independiente de Trabajadores de la Industria Automotriz Volkswagen (Independent Union of Workers in the Automotive Industry Volkswagen, SITIAVW) has been involved in actions of solidarity within the UNT. The union has received support from the UNT, especially from the STRM, whose leader advised and accompanied SITIAVW in their negotiations with the company at the strike of 2000 and 2001. SITIAVW has also lent their support to smaller unions within the UNT by making phone calls to the Department of Labor or the state government and advising, but short of directly accompanying negotiations with the respective companies.⁶⁴ However, these types of actions have been significantly more limited both in frequency and in scope than similar actions within Brazilian labor centrals in the same period, due to the lack of strong links between the UNT and political parties.

Union Networks in the 2000s. In the 2000s, the decrease in the level of cooperation within the CTM resulted in an overall decrease in the level of cooperation within the Mexican labor movement. While the Chrysler national union continues to operate without major modifications, the Ford national union has disintegrated.

A representation conflict between the group that was at the leadership of the national union and the local leadership in Hermosillo resulted in a division whereby the national union is now only representing workers at the Cuautitlán and Chihuahua factories, while the former local leadership in Hermosillo is now a separate union representing workers at that plant. Both groups are affiliated with the CTM and each one of them has had the support of distinct CTM leaders, both at the state and at the national level, as witnessed by the author.

The Ford automotive complex in Hermosillo, Sonora, represented, since the project was first announced, a significant prize for the unions that could claim representation rights. The importance of the complex grew even more with the installation in 2005 of an industrial park for auto parts suppliers that would deliver parts to the Ford assembly plant just-in-time, as the number of companies and workers who could be represented increased. No conflicts of representation ensued at the opening of the Ford car assembly plant. Workers at the plant came to

⁶² Montiel Coello, Mauricio. 2007. Interview by author. Mexico City, D.F., Mexico, October 9.

⁶³ Rodríguez Salazar, José Luis. 2007. Interview by author. Puebla, Puebla, Mexico, October 17.

⁶⁴ Rodríguez Salazar, José Luis. 2007. Interview by author. Puebla, Puebla, Mexico, October 17.

be represented by the already existing Ford national union—which at the time was representing workers in the Cuautitlán and Chihuahua factories—as stipulated in the agreements the company had with the national union. However, according to Mexican automotive labor leaders, the real battle of the unions started once the industrial park of auto parts suppliers was planned. Three main labor actors, all affiliated with the CTM had a claim: the Ford national union, the Sonora state level CTM federation and the national automotive union it founded, and the Sindicato Nacional de Trabajadores de las Industrias Metalmeccánica Automotriz y Proveedora de Autopartes (National Union of Workers in the Metal, Automotive, and Auto Parts Supplier Industries, SNTIMAPA), which was headquartered in Saltillo, Coahuila, and represented workers at many of the auto parts suppliers that had plants in Coahuila. Initially, the main players involved were the Ford national union and SNTIMAPA.

The Ford national union considered that, since they represented workers at the Ford car assembly factory, they should also represent workers at the plants of the auto parts providers, as these companies had a close relationship with Ford. However, the Coahuila metalworkers' union created a strategic alliance with the Sonora CTM federation. With the support of this powerful local labor actor and being preferred by the auto parts suppliers, who were familiar with the union through their branches in the state of Coahuila, the Coahuila metalworkers' union obtained representation rights for most of the auto parts suppliers in the Ford automotive complex.⁶⁵

This strategic alliance also had the support of Ford, which preferred that the workers at the auto parts suppliers be represented by a different union from the one representing workers at the car assembly plant. Ford had the experience of its car assembly plant in Camaçari, Brazil, which had opened in 2001 and had the suppliers positioned in the same physical space as the assembly line, and their workers represented by the same union that represented Ford assembly workers.⁶⁶ By 2005, Ford had evaluated this arrangement as cost-ineffective, as in practice it translated into common collective bargaining agreements with equal increases in salaries and benefits for both direct Ford assembly workers and auto parts supplier workers:

*“Ford thought this would be the solution, but when we saw the labor problems, the problems with controlling the union, then Ford thought about things in a different way and said ‘ok, I have my plant here in Hermosillo, I am going to invest 2,000 million dollars and I want an industrial park, but I don’t want it here, so...’ This was in 2005 [...] we learned our lesson from the situation in Camaçari, that the Hermosillo plant should have [...] all the part suppliers across the street from the Ford assembly plant.”*⁶⁷

Therefore, when the supplier park was installed in Hermosillo in 2005, the suppliers were physically separated from Ford's car assembly plant by a highway—with tunnels constructed underneath to maintain the just-in-time production concept—and the company manifested its strong preference that the workers at the suppliers would have separate collective bargaining agreements and be represented by other unions:

⁶⁵ Rangel, Bernardo. 2007. Interview by author. Silao, Guanajuato, Mexico, November 12.

⁶⁶ When Ford first opened its plant in Camari, Brazil, a conflict of representation ensued there as well. However, the more conservative union affiliated with FS, which had the support of the company, lost the conflict. The claim of the newer, more conservative union, was territorially based, but the more progressive contending union, affiliated with CUT, implemented some organizational changes that allowed the union to be granted representation rights judicially had tried to do something about the union as well, but were not able to, as the union had COMMUNICATED with the union in Porto Alegre – they were both part of CNM at the time and knew what to do – this in itself is an example of cooperation among unions in Brazil

⁶⁷ Labor relations manager 1. 2007. Interview by author. São Bernardo do Campo, São Paulo, Brazil, July 5.

*“The difference is, the [suppliers] are very close to Ford, but each one of these suppliers maintains its independence. It is the same labor central, it is still the CTM, but with different unions, different people, everything is different, the wages, the benefits, the services. They are different, there is no unity, there is no equality, each one has its own uniforms, its history. The story is completely different [from Camaçari].”*⁶⁸

After the Coahuila metalworkers’ union obtained representation rights at the suppliers with the support of Ford and of the Sonora CTM federation, the Sonora CTM federation exited the strategic alliance and founded its own automotive union. This new union gained representation rights for some of the auto parts suppliers that came to Hermosillo at a later stage.

As the Sonora CTM federation and the automotive union from Coahuila continued to dispute representation rights for new auto parts suppliers, a new conflict of representation was initiated in the Ford car assembly plant. Before the car assembly plant opened in Hermosillo, the Cuautitlán plant was the largest, most important Ford plant in Mexico. Once the Hermosillo plant opened, the two Ford car assembly plants started to evolve in opposite directions. The Cuautitlán plant downsized from 6,000 to 600 workers. The Hermosillo plant started with 700 workers and grew to 3,000 workers by 2007. The new car lines that the company was bringing to Mexico were allocated to the new plant. Meanwhile, the Ford engine plant in Chihuahua was also experiencing growth. According to a labor relations leader from Ford Motor Company, when the automotive industry started to grow in the North, in Sonora and in Chihuahua, the national union was treating all three local unions that it incorporated equally. However, as the local unions in Sonora and Chihuahua proceeded to implement distinct, more flexible strategies and to obtain the majority of new investments that the company made in Mexico, the leadership of the national union started to change, including more labor leaders from those plants.⁶⁹

In spite of the union’s national committee starting to include labor leaders from the northern plants, including a secretary general from Chihuahua, tensions continued to grow between the leadership of the national union and the local leadership in Hermosillo. In 2007, in the midst of the open conflict between the Hermosillo group and the national union leadership, José Luis Symonds Espinoza, head of the Department of Labor of the State of Sonora Government, suggested that a feasible solution would be for the local leader in Hermosillo to be awarded sole and exclusive rights or representation in the Hermosillo plant, while the national union could continue to control the Cuautitlán and Chihuahua Ford plants. At a later time, the Hermosillo leader could also attempt to obtain representation rights in the other two Ford plants.⁷⁰ This was the solution that was eventually implemented, as the three-plant national union was divided into two unions, one representing the workers at the Ford car assembly plant in Hermosillo, and the other representing the workers at the Ford plants in Chihuahua and Cuautitlán.

Conflicts of Representation in the 2000s. Conflicts of representation have become more prevalent in the 2000s than in the 1990s, in particular among CTM affiliated unions. In the opinion of Alejandro Rangel—first substitute general secretary of the Sindicato de Trabajadores de la Industria Metalmeccánica (Union of Workers from the Metal Industry, SITIMM), based in Guanajuato—part of the explanation for the increase in conflicts of representation lies in the loss of bases of representation of unions in and around Mexico City, who were forced to seek new

⁶⁸ Labor relations manager 1. 2007. Interview by author. São Bernardo do Campo, São Paulo, Brazil, July 5.

⁶⁹ Labor relations manager 1. 2007. Interview by author. São Bernardo do Campo, São Paulo, Brazil, July 5.

⁷⁰ Symonds Espinoza, José Luis. 2007. Interview by author. Hermosillo, Sonora, Mexico, December 12.

bases of representation in other regions. Rangel pointed out to the increasing prevalence of representation conflicts among CTM unions.⁷¹

In addition to the conflict of representation that prompted the fragmentation of the Ford national union outlined in the previous section, a series of other conflicts of representation have occurred in the 2000s between labor unions affiliated with the CTM involving Tereso Medina, an automotive labor leader from the state of Coahuila. His national automotive union's pattern of dispute and acquisition of representation rights provides evidence for the decentralization of the CTM.

Tereso Medina and SNTIMAPA. By 2006, Daimler, a German multinational automotive corporation that entered the Mexican market in 1991, had two plants in Mexico: a truck assembly plant in Santiago Tianguistenco, in the State of Mexico, and a chassis plant in Monterrey, in the State of Nuevo León. In 2006, Daimler decided to open a new plant in Mexico and negotiated with various states, seeking to combine federal investment incentives with state-level incentives, similar to the decentralized investment process that took place in Brazil in the second half of the 1990s. The winner was the state of Coahuila, the home state of the union leader Tereso Medina. One of the main incentives offered by the state of Coahuila to the multinational corporation was free land for the plant, totaling 300 hectares of terrain. Non-conflictual labor unions were another important investment incentive. Relying on worker representation strategies in line with company and state interests and emphasizing that “we are fonder of proposals than of protests,”⁷² Tereso Medina gained important allies and recognition in his home state of Sonora. In addition to heading the CTM in the state of Coahuila, Medina maintained control of the two unions representing workers at the two General Motors plants in Ramos Arizpe, Coahuila. Workers at the General Motors Car Assembly Plant in Ramos Arizpe are represented by a union called Sindicato Único de Trabajadores, Planta de Ensamble de General Motors, CTM, Ramos Arizpe (Single Workers' Union, General Motors Assembly Plant, CTM, Ramos Arizpe).

Workers at the General Motors Engine Plant in Ramos Arizpe are represented by a union called Sindicato de Trabajadores, Planta Motores y Transmisiones de General Motors, CTM, “Fidel Velázquez” (Workers' Union, General Motors Engine and Transmissions Plant, CTM, “Fidel Velázquez”). All these unions are affiliated with the CTM and have strong ties with the state-level CTM in Coahuila. All union advisers who supervise these plants on behalf of the labor union report to Tereso Medina. Tereso Medina's links with the General Motors factories date back to his initial involvement in the automotive industry, as a worker at the General Motors car assembly plant in Ramos Arizpe. Once the relationship with the automotive companies present in the state of Coahuila consolidated, Medina created a national union that would be instrumental in obtaining representation rights at companies outside his home state:

*“Apart from leading the CTM in my state, I was and I am the founder of a national union titled Sindicato Nacional de Trabajadores de las Industrias Metalmeccánica Automotriz y Proveedora de Autopartes [SNTIMAPA].”*⁷³

As part of the decentralization process that CTM was undergoing, Medina used the relationships he had created with companies in the state of Sonora to dispute and obtain representation rights at the branches of these companies in other Mexican states:

⁷¹ Rangel, Alejandro. 2007. Interview by author. Mexico City, DF, Mexico, October 3.

⁷² Medina, Tereso. 2007. Interview by author. Saltillo, Coahuila, Mexico. November 20.

⁷³ Medina, Tereso. 2007. Interview by author. Saltillo, Coahuila, Mexico. November 20.

*“This union represents workers at the auto parts suppliers in Hermosillo, Sonora, that provide parts for Ford and at General Motors, like I just said, but more directly at the General Motors plant in Silao, Guanajuato.”*⁷⁴

General Motors was familiar with Medina’s style of unionism and favored him over SITIMM, a more militant CTM union, in acquiring representation rights at the General Motors plant in the state of Guanajuato. Medina employed a similar strategy to expand the reach of his union into the state of Sonora, as the auto parts suppliers that opened plants in the Ford automotive complex already had plants in the state of Coahuila. From its creation in February 2004 until 2007, Medina’s SNTIMAPA union had acquired 12,000 members among workers at car assembly and auto parts plants located in the states of Sonora and Guanajuato. By 2007, the union was also in the process of acquiring representation rights at automotive plants planned to open in San Luis Potosí, in Aguascalientes, in Estado de México, and in Querétaro.

The first national committee for SNTIMAPA was formed by representatives from unions representing workers at auto parts’ companies in Saltillo and Ramos Arizpe, Coahuila, and in Hermosillo, Sonora. Prior to the creation of this national union, the workers at each of these plants were represented by separate plant-level unions, all affiliated with the CTM. According to Tereso Medina, the vision behind the creation of the national union was the understanding that the two states, Coahuila and Sonora, would be receiving new investments in the automotive industry. In particular, Medina understood that the existence of the car assembly plant in Hermosillo, Sonora, would attract several auto parts suppliers:

*“Because we already envisioned the opening to bringing more [automotive] industry to these two states. We already envisioned the expansion of Ford the way it happened. The experience that I had here in Ramos Arizpe with General Motors taught me that car assembly plants attract parts suppliers where they are located [...]. So we envisioned [the union] as an alternative for when these auto parts suppliers would open, and that is why we have grown over the past three years.”*⁷⁵

Medina defined his national union as similar to the other national unions functioning in Mexico, in particular the Chrysler national union, and, by extension, the Ford national union. The only significant difference, from Medina’s point of view, was that “this national union that represents General Motors also represents parts suppliers.”⁷⁶ In this sense, Medina’s project was one of cohesion and cooperation. Indeed, labor scholars in Mexico who were instrumental in the creation of the Conferencia Nacional de Sindicatos Automotrices de Mexico (National Conference of Mexican Auto Unions, CONSTA) automotive union network—described in the second half of this chapter—and profoundly disappointed by its failure, referred to SNTIMAPA as the “yellow CONSTA.” However, cooperation occurred within the same union or group of unions that one local leader controlled, and the concentration of power was situated away from the center, from Mexico City, from the national CTM. Therefore, it provided evidence for the decentralization and overall decrease in cooperation experienced by the Mexican labor movement in general and the CTM in particular in the 2000s.

Conflict of representation at the General Motors plant in Silao, Guanajuato. One of the main conflicts of representation within the CTM that involved Tereso Medina and SNTIMAPA has occurred in the case of the General Motors plant in Silao, in the state of Guanajuato. For the

⁷⁴ Medina, Tereso. 2007. Interview by author. Saltillo, Coahuila, Mexico. November 20.

⁷⁵ Medina, Tereso. 2007. Interview by author. Saltillo, Coahuila, Mexico. November 20.

⁷⁶ Medina, Tereso. 2007. Interview by author. Saltillo, Coahuila, Mexico. November 20.

decade following the opening of the plant in 1994, General Motors workers in Silao were represented by SITIMM, a metalworkers' union headquartered in Irapuato, Guanajuato, representing workers at 46 plants throughout the state of Guanajuato. By 2005, representation rights at the plant had been granted to an automotive union based in Saltillo and headed by Tereso Medina, the leader of the CTM in the state of Coahuila. Within the CTM, Medina concentrated power away from the center. After gaining representation rights in the automotive plants located in the state of Coahuila, including two General Motors plants, Medina's union proceeded to gain representation rights in Silao, as well as at several auto-parts suppliers located in the industrial park of the Ford plant in Hermosillo.

When General Motors first opened the Silao plant in 1994, SITIMM, which already had a strong presence in the state of Guanajuato, was called to assist with the worker hiring process and consequently was given representation rights at the plant as a collective bargaining agreement was signed—a common procedure in Mexico for how a union obtains representation rights in a newly opened factory. After the first batch of 550 workers was hired, SITIMM held elections in the plant for the plant-level union committee. In the aftermath of the elections, workers complained about the availability of the newly elected in-plant union leaders, who were not given time off from their duties on the assembly line to cater to union-related issues, and, although the union had an office space inside the plant, in practice it remained largely unused.⁷⁷

Moreover, when the General Motors plant opened in Silao, the differences between the retribution packages offered to workers were significant from the other plants—less so in terms of wages, but more in terms of benefits. While in the other plants the employer had a 12% contribution to the employee's savings fund, at the Silao plant the initial contribution was 1%. The annual end of the year bonus started out as the equivalent of 7 days of wages in the Silao plant—two more than the minimum legal requirement—while in the other plants this bonus was the equivalent of 40 days of wages. Having initiated with very low benefits relative to its other plants, the company agreed to significant benefit improvements for the workers in the biennial collective bargaining agreements over the first ten years. The finance secretary of SITIMM—former general secretary of the SITIMM Plant Committee at the General Motors plant in Silao—commented:

*“A collective bargaining agreement is forged, with a rigid wage scale, with only a few categories in the wage scale and minimal participation in profit-sharing.”*⁷⁸

In the first years after the plant opened, collective bargaining resulted in consistent gains on behalf of the workers. By the 2000s, the working conditions in the new plant were starting to resemble more working conditions at other plants, and the company was no longer comfortable with a union that kept pressuring for more advances and was considering strikes as a tool when the negotiations stalled. Alejandro Rangel, first substitute general secretary of SITIMM, considered that at that point, the company no longer wanted SITIMM to represent workers. According to the labor leader, General Motors was planning on implementing changes in working hours and feared resistance from the union in the following collective bargaining rounds. Moreover, there were tensions regarding lay-offs of employees with more than seven years in the plant, who were entitled to additional benefits of cost to the company. In the

⁷⁷ Based on the author's observations between September and December of 2007, other plants represented by SITIMM have elected in-plant union leaders who are released by the company to address part or full time union issues; they have offices inside the plants that are almost permanently staffed and where workers can easily find a representative with whom to discuss their concerns.

⁷⁸ Rangel, Bernardo. 2007. Interview by author. Silao, Guanajuato, Mexico, November 12.

aftermath of the lay-offs, the average wage in the factory decreased, causing concern among the remaining workers.⁷⁹

Bernardo Rangel, finance secretary of SITIMM, former general secretary of the SITIMM Plant Committee at the General Motors plant in Silao, offered a similar interpretation of the situation, by describing the union's pursuit of improved working conditions and the company's fear that the union was growing more powerful inside the plant and could easily mobilize workers.⁸⁰

More specifically, in the context of collective bargaining, the company did not want to give significant wage increases beyond the minimum wage increases mandated by the federal government to address inflation. The union, on the other hand, argued that the wage increases should not be based solely on inflation indices, but rather correlated with the company's profits. The union calculated that the company's level of profits warranted additional wage increases for the workers, as well as increased participation in profit-sharing. An additional point of conflict between the company and the SITIMM union was related to worker payments during periods of production freeze dictated by the company, when the union would demand full payment of wages and the company would want to make partial payments. The company and the union further disagreed over whether to hire temporary workers.

The groundwork was set for an inter-union representation conflict in the aftermath of a problematic collective bargaining episode between General Motors and SITIMM. The company had settled for a 4% wage increase in its negotiations with its other two plants in Mexico. SITIMM argued that the margins of profit at the Silao plant had been higher than at the other plants. Consequently, it evaluated that General Motors was in a position to grant an 8% wage increase to its workers at the Silao plant. With these calculations as a supporting argument, the union demanded a 5.5% wage increase and a 2.5% increase in the value of benefits. As the company refused to grant higher increases to the Silao workers than it had to the workers at the other plants, collective bargaining stalled and, for the first time in the history of the plant, the company asked the federal labor authorities for mediation.

The conflict escalated to where the company perceived a threat of strike on behalf of the union, interpreting the union's opposition to its wage and working decision policies in the context of a citation to strike as an indication of an actual possible strike. While union and company representatives were negotiating under the mediation of the federal labor authorities in Mexico City, back in Silao General Motors started preparing for a strike. They tried to take as many SUVs as possible out of the plant so that, in the event of a strike, they would be sold, rather than blocked inside the plant. A shortage of gas led the main highway between Silao and Guanajuato to be blocked with General Motors SUVs. Some of the SITIMM leaders believe the company genuinely misinterpreted the intentions of the union, while others believe the company staged these actions to turn the workers against the union:

*"They did it [...] to worry the workers, [to suggest that] the union leaders are so tough that production is going to stop. So they tried to turn the workers against us. [...] And they were successful in doing so."*⁸¹

The growing tensions in the plant culminated with anticipated elections for a new committee of plant level union leaders. The existing committee lost the elections. The newly elected committee

⁷⁹ Rangel, Alejandro. 2007. Interview by author. Mexico City, DF, Mexico, October 3.

⁸⁰ Rangel, Bernardo. 2007. Interview by author. Silao, Guanajuato, Mexico, November 12.

⁸¹ Rangel, Alejandro. 2007. Interview by author. Mexico City, DF, Mexico, October 3.

—according to SITIMM leaders, composed of workers recruited by General Motors—declared within three weeks of the elections that they would want to discontinue their affiliation with SITIMM, in response to worker preferences. Subsequently, the new committee initiated discussions with the state and national-level CTM organizations:

*“They came to CTM and said we do not want to be [affiliated] with this union any longer. Oh, ok, let us see with which CTM union we should affiliate them.”*⁸²

Perceiving the union as becoming stronger and potentially causing increasing conflicts, the company sought out labor union alternatives. General Motors was familiar with Tereso Medina and SNTIMAPA as it had representation rights at the company’s car assembly and engine plants in Ramos Arizpe, Coahuila. General Motors liked the no-conflict, no-strikes, no-assemblies focus on appointed union advisers rather than elected union leader committees style of unionism of SNTIMAPA and supported the affiliation of the new committee with this union.

In the second half of the 1990s, when the Silao plant first opened, the union leadership at the General Motors Silao plant had maintained an amicable relationship with the union leadership at the General Motors Coahuila plants. Mutual visits and information exchanges occurred. However, by 2004, the conflict of representation was underway.

Both SITIMM and SNTIMAPA had a preference for moderate strategies towards the companies whose workers they represent. Their vision of capital-labor relations was one of mutual understanding and collaboration between the union and company representatives, as opposed to a framework of class struggle. The two unions’ understanding was that the existence and satisfaction of business and labor, respectively, were dependent on each other.⁸³

Nevertheless, there were distinct differences in worker representation strategy between SITIMM and SNTIMAPA. The latter operated almost entirely based on union-appointed advisers, whereas the former utilized a combination of worker-elected union leaders and advisers⁸⁴. SNTIMAPA did not use worker assemblies as a communication and decision tool directly involving the worker base. SITIMM used worker assemblies occasionally, and assemblies of all the representatives from the different sections of the union every two months.⁸⁵ SITIMM did not have a preference for strikes as a pressure instrument in their relation with the company whose workers they represented. However, it did use “emplazamiento a huelga” (citation to strike), a common procedure among Mexican unions, that rarely resulted in an actual strike. Unions in the northern part of Mexico, however, and in particular unions in the state of Sonora under the umbrella of the Sonora CTM state federation, had officially declared they would no longer use this instrument to assure current and potential investors that unions in this part of the country do not utilize strikes. The finance secretary of SITIMM—former general secretary of the SITIMM Plant Committee at the General Motors plant in Silao—remarked that strikes were an alternative that should be commonly decided by the union leadership and the workers in general assemblies, following a discussion of the benefits and costs of such an action.⁸⁶

⁸² Rangel, Alejandro. 2007. Interview by author. Mexico City, DF, Mexico, October 3.

⁸³ Rangel, Bernardo. 2007. Interview by author. Silao, Guanajuato, Mexico, November 12.

⁸⁴ Non-CTM unions like the Volkswagen union in Puebla tend not to rely on advisers to attend to day to day worker grievances or other issues that may arise in the plants. However, occasionally they rely on scholars or lawyers as advisers for broader union strategic plans.

⁸⁵ Non-CTM unions like the Volkswagen union in Puebla tend to rely heavily on worker assemblies as part of their decision-making process.

⁸⁶ Rangel, Bernardo. 2007. Interview by author. Silao, Guanajuato, Mexico, November 12.

Caught in the conflict of representation at the Silao plant, SITIMM evaluated their competitors, comprised of both CTM and non-CTM affiliated unions and concluded that, in addition to losing representation rights at the General Motors assembly plant, they risked losing representation rights at General Motor's auto parts providers in the state of Guanajuato. Based on this evaluation, SITIMM leaders accepted the Coahuila Metalworkers' Union over other CTM-affiliated contenders, as they were able to reach an inter-union agreement whereby SITIMM would maintain representation rights over General Motor's auto parts providers. The agreement also stipulated that SNTIMAPA would respect the existing collective bargaining agreement.

In facilitating the change of unions, the company was able to take advantage of power struggles within the CTM. As observed by the author, in the 2000s the local CTM groups were connected to individuals or groups in power at the national level of CTM who supported their cause. As the CTM national leadership was divided with regards to the local groups they support, and as local groups were gathering increasingly more independence and power away from the center, the level of conflict within the CTM increased and, consequently, the level of cooperation decreased. Concomitantly, the company had the support of the state and federal governments, which promoted "labor peace" and a stable, strike-free, conflict-free climate that favored foreign direct investment.

Even after SNTIMAPA gained representation rights at the General Motors plant in Silao, the conflict of representation re-ensued with other contenders, unions both from within and outside the CTM:

*"Today there are still union conflicts at General Motors. There are a lot of power groups that are trying to get representation rights. [They] can be independent unions as well as unions from CTM itself."*⁸⁷

As evidence of the continually deepening divisions within the CTM, one of the current contenders to representation rights at the General Motors plant in Silao is the CTM federation of the state of Guanajuato.

The conflict of representation over the General Motors Silao plant reflected a more general trend of increasing union competition within the CTM, indicating decreased cooperation within the labor central.

III. Cooperation between Labor Centrals

Throughout the 1990s and 2000s, the CTM has been the dominant peak labor organization in the Mexican labor movement in general and among auto workers in particular. The relations between the CTM and other conservative labor organizations grouped under the umbrella of the CT—such as the Confederación Regional Obrera Mexicana (Mexican Regional Labor Confederation, CROM) or the Confederación Revolucionaria de Obreros y Campesinos (Revolutionary Confederation of Workers and Peasants, CROC)—did not change considerably between the 1990s and the 2000s. As none of the auto workers' unions in Mexico are affiliated with any of these organizations, they are not the subjects of this study. The Mexican auto workers' unions that are not affiliated with the CTM are either independent—the union representing workers at the Nissan plant in Cuernavaca—or currently affiliated with the UNT and formerly affiliated with the FAT—the union representing workers at the Volkswagen plant in Puebla. The UNT represents the main counterpart to the CTM in Mexico since its creation in

⁸⁷ Rangel, Bernardo. 2007. Interview by author. Silao, Guanajuato, Mexico, November 12.

1997. The UNT is relevant to the present study as SITIAVW, the union representing workers at the Volkswagen plant in Puebla, has an important position within the labor central. Rafael Marino Roche, head of the Commission for Political Action at STRM and UNT, considers that:

*"[SITIAVW] is an important union. It is an important union in part because Volkswagen is an important company. And the truth is that I believe this position also allows us to have a say in the automotive industry."*⁸⁸

In addition to the Volkswagen union, some of the unions representing workers at plants in Puebla that supply auto parts to Volkswagen—including Alcoa and Seglo—are affiliated with the UNT.

In the 2000s, the UNT organized weekly meetings for its members that were held in rotation among the three main unions. These meetings were supposed to be attended by representatives from all the member unions and other groups. Some of the topics discussed pertained to individual unions while others are of national interest to the labor central, as detailed by José Luis Rodríguez Salazar, secretary general of the Volkswagen union in Puebla:

*"Individual topics pertaining to each organization are discussed, as well as national interest topics such as the presidential report, political parties, state-level politics, labor law reform, price increases, the country's political situation, the case of the attacks, the case of Oaxaca when they were having problems [...]."*⁸⁹

In spite of the weekly meetings, the linkages among UNT-affiliated unions were limited. Some of the unions, among them the Volkswagen union in Puebla, viewed their relationship with the UNT not as an organic affiliation, but merely considered the UNT as advisers. As such, cooperation within the UNT in the 2000s was low, as was cooperation between the UNT and CTM.

Joint Actions and Projects in the 1990s and 2000s. National-level collective bargaining has never been achieved or proposed in the Mexican automotive industry. Even in the cases in which there are or have been national-level unions, collective bargaining occurs independently at each one of the plants represented by the union. In other industries—including sugar, rubber, and textiles—Mexico has had national level collective bargaining agreements, referred to as *contratos-ley* (law-agreements). However, the existing law-agreements started declining in the 1980s as the economy started to open and there was increased pressure against centralized collective bargaining on behalf of the government and business actors. These agreements are no longer in use today. Some industries—such as petroleum and railways—have national-level unions that in some cases negotiate at the national level for some aspects of collective bargaining and independently at the local level for others.

Some Mexican union leaders in the automotive industry in Mexico aspire to greater cohesion within the labor movement. They do not believe it is possible to achieve complete integration and do not envision national level collective bargaining for their industry:

*"Here we have never had this kind of tradition generalized. Here they used to call them law-agreements, for example the whole sugar industry had a law-agreement, all the rubber industry had a law agreement, there were about seven law-agreements. In those cases even if not all [workers in the respective industry] were represented by the same union, everything was negotiated with a council of representatives and so everything was applicable to everyone. But this has died out because it is not conceivable for [collective bargaining] to be administrated this way."*⁹⁰

⁸⁸ Marino Roche, Rafael. 2007. Interview by author. Mexico City, D.F., Mexico, November 23.

⁸⁹ Rodríguez Salazar, José Luis. 2007. Interview by author. Puebla, Puebla, Mexico, October 17.

⁹⁰ Rangel, Alejandro. 2007. Interview by author. Mexico City, DF, Mexico, October 3.

However, there have been instances when union leaders have sought greater union cooperation, within and across labor centrals, at the level of information exchange if not coordinated actions:

“I raised the issue of the very strong level of dispersion that we have as a crucial problem for the Mexican labor movement. To be able to achieve more adequate collective bargaining, at the very least we need a better level of communication. If we cannot reach total unity, which is an unachievable dream in this country, then we should at least strive for communication.”⁹¹

As part of the union networks that were formed in the early 2000s, joint actions such as nationwide seminars were organized for different subsectors of the automotive industry. However, once the union networks failed, these joint actions were suspended. The limited number of joint actions and projects between Mexican labor centrals indicates low levels of cooperation between Mexican labor centrals over both decades.

Union Networks in the 1990s and 2000s. In the beginning of the 2000s, there were two failed attempts at forming union networks in the Mexican automotive industry: CONSTA and the Consejo Nacional de Trabajadores Metalúrgicos (National Council of Metalworkers, CNTM).

CNTM. The CNTM constituted a first failed attempt in the early 2000s at cooperation among Mexican automotive unions. The network was established in 2002 as part of an International Metalworkers’ Federation initiative to establish national councils in countries where the organization had more than one affiliate, as was the case with the Mexican automotive industry. At the time, the International Metalworkers’ Federation had a representative in Mexico in the person of Everardo Fimbres Ocaña. At the end of 2002, an initial document was drafted whereby participating unions proposed to utilize the network to promote solidarity, research, information, consultation, training, labor union development, respect for workers’ rights, negotiation of productivity, and collective bargaining. The document—the CTNM Action Plan—did not represent a commitment on behalf of the unions, but rather a declaration of intentions that did not materialize. Moreover, by 2007, disappointed by what the organization perceived as extreme moderation on behalf of Mexican unions and by the seemingly insurmountable challenges to cooperation, the International Metalworkers’ Federation had closed its office in Mexico and its relationships with union leaders from the automotive industry had deteriorated. In the aftermath of the office closure, the IMF’s links with Mexican unions became limited to support offered to a union leader from the mining industry.

CONSTA. CONSTA is another example of failed cooperation within the Mexican labor movement. The union leaders involved in CONSTA did not envision the same level of unity to which Brazilian union leaders aspire, considering that national level collective bargaining was not feasible in the Mexican context. However, some of them, in particular leaders from the SITIMM union in Guanajuato, recognized the importance of increasing union cooperation and building a network for information exchange that would allow unions to have a stronger, better informed position in collective bargaining. They actively participated in organizing national seminars for the different sectors of the automotive industry—including auto parts and car assembly—similar to the seminars organized in Brazil by CNTM in the 2000s:

“We started to organize these seminars in the automotive industry. We had one in Irapuato, we had three or four, very interesting. And each time we would have representatives from different unions come together. And the conclusions of these seminars were precisely that

⁹¹ Rangel, Alejandro. 2007. Interview by author. Mexico City, DF, Mexico, October 3.

we needed an organization of interrelation among the unions in the automotive industry on par with what the automotive companies had, as they get together every six months."⁹²

These seminars consolidated the idea of participating in a union network, which was materialized in CONSTA. However, the CONSTA project, initiated in the 1990s, failed to perform through the 2000s.

The precursor to CONSTA was the International Research Network on Autowork in the Americas (IRNAA), a loosely structured organization initiated by labor scholars in Mexico, the United States, and Canada. IRNAA held its first conference in 1997 in Puebla, Mexico. By 2004, a fourth conference held in Aguascalientes, Mexico had more involved more union leaders and less labor scholars (Babson and Juárez 2007: 23-40). Nevertheless, scholarly input continued to represent the driving force behind IRNAA, and later, CONSTA:

*"The network was operating based on its scholarly foundations [...] and had as conversation partners the labor leaders from the automotive industry[...]. The network was excited and a lot of scholars from universities in the North, namely from the US and Canada, [participated]. There were about 40 participants, out of which 30 were scholars and 10 were union leaders, stemming from three or four different unions."*⁹³

By 2004 IRNAA had evolved into CONSTA. SITIAVW, one of the participating unions, joined CONSTA based on their relationship with one of the labor scholars involved:

*"We at the Volkswagen union participated because of our relationship with Professor Huberto Juárez."*⁹⁴

The unions that participated included, in addition to SITIAVW, an affiliate of UNT, the independent union representing the Nissan plant in Cuernavaca, and CTM-affiliated unions such as the Ford national union; which had representatives from all three plants; SITIMM, which was representing at the time the General Motors plant in Silao; the union representing the General Motors plant in Toluca; the union representing the Nissan plant in Aguascalientes; and the Chrysler national union. Tereso Medina and his union were absent, as were unions representing workers at the Honda and Toyota plants. At the meeting in 2004, the participating unions decided to sign an official document attesting the creation of CONSTA and to make a proposal to the Secretary of Labor Carlos Abascal to promote an automotive forum with the participation of the automotive companies, the government, and labor unions. According to the secretary general of SITIAVW, José Luis Rodríguez Salazar, disagreement over this proposal marked the beginning of the end of CONSTA. Some of the follow-up meetings were postponed. Some of the unions started sending lower-ranking labor leaders to represent them while others stopped sending any representatives to CONSTA meetings. At a meeting held in Guanajuato four months after the Aguascalientes meeting where the founding documents had been signed, union attendance had dropped by half. Within half a year CONSTA was dissolved, constituting a failure of cooperation within the Mexican labor movement.

Conflicts of Representation in the 1990s and 2000s. Throughout the 1990s and 2000s conflicts of representation existed between unions affiliated with the CTM and unions outside the CTM, either independent or associated with smaller labor centrals. Cooperation between CTM-affiliated unions and unions outside the CTM was low. Two examples of conflicts of representation will be discussed, both involving SITIAVW. The first one is a non-electoral

⁹² Rangel, Alejandro. 2007. Interview by author. Mexico City, DF, Mexico, October 3.

⁹³ Rangel, Alejandro. 2007. Interview by author. Mexico City, DF, Mexico, October 3.

⁹⁴ Rodríguez Salazar, José Luis. 2007. Interview by author. Puebla, Puebla, Mexico, October 17.

conflict that arose in 1992 and marked an important change in the history of the union. The second one is an example of an electoral conflict from 2007.

When Volkswagen first opened the car assembly plant in Puebla, the union representing workers at the plant was affiliated with the CTM. As part of a wave of radicalization of old-plant automotive unions in the 1970s, the union changed affiliation to the Unidad Obrera Independiente (Independent Labor Unity, UOI), a labor central outside the CT structures that was headed by the lawyer Ortega Arenas, who controlled several of the UOI-affiliated unions. In 1981, as a result of a representation conflict within the factory, SITIAVW disaffiliated from the UOI and became independent. This situation continued until the conflict of representation of 1992, where a group of workers from the plant openly opposed the union leadership, which had been elected eight months earlier. The opposition group had been one of the losing slates in the elections.⁹⁵

The internal conflict of representation resulted in a strike, which caused a conflict between the union and the company. The union leadership sought out the support of UNT leader Francisco Hernández Juárez and the UNT. With their support, the union leadership won the conflict of representation, relations with the company were normalized, and the union affiliated with the Federación de Empresas de Bienes y Servicios (Federation of Unions of Firms of Public Goods and Services, FESEBES), and later, when the UNT was formed in 1997, with the UNT.

The UNT defines itself as a progressive labor central in opposition to the conservative CTM. However, the UNT also describes its role in SITIAVW as that of a guardian against unwelcome radicalization of the union:

*“Why not say it, we also protect [SITIAVW] from infiltrations by radical groups or from actions that are not seen as good practices in Mexican unionism.”*⁹⁶

The second conflict of representation presented is an electoral conflict from 2007. Union elections are held periodically in all unions representing workers at car assembly plants in Mexico. The most disputed elections are held at the Volkswagen union in Puebla. There are usually several slates that enter the election in a number significantly higher than at other automotive unions in Mexico or Brazil. At the 2007 elections, there were eight competing slates. At the previous elections, there were fifteen competing slates.

At the 2007 elections, the only group that officially stated an affiliation with a labor central was the union leadership in office at the time, who was affiliated with the UNT:

*“The groups competing in the union elections claim no affiliation with the UNT. For us [the UNT], we see our role as supporting, advising the union. They are the ones to decide what to do and how to do it. We cannot go beyond offering advice and support, and they know that. It is possible this may be just an electoral strategy—in any case, we have always supported them.”*⁹⁷

From the perspective of the union’s incumbent secretary general, of the eight competing slates, one or two had a similar vision and were interested in maintaining the affiliation with the UNT, while others were more radical groups seeking an independent stance for the union.⁹⁸ Once a new leadership is elected, they tend to renew the affiliation with the same labor central as the previous group—in recent years, the UNT.

⁹⁵ Rodríguez Salazar, José Luis. 2007. Interview by author. Puebla, Puebla, Mexico, October 17.

⁹⁶ Labor relations manager 2. 2007. Interview by author. Puebla, Puebla, Mexico, November 6, 2007.

⁹⁷ Marino Roche, Rafael. 2007. Interview by author. Mexico City, D.F., Mexico, November 23.

⁹⁸ Rodríguez Salazar, José Luis. 2007. Interview by author. Puebla, Puebla, Mexico, October 17.

While at other automotive unions in Mexico repeated re-election of a group of union leaders and of a secretary general is common, at the Volkswagen union in Puebla there is an aversion towards repeated re-election. José Luis Rodríguez Salazar was the first secretary general in the history of the union to be elected for two consecutive terms. In spite of significant accomplishment throughout his tenure as leader of the union, he lost his bid for a third term in office in 2007. Competing slates associated a potential three-term tenure with CTM practices and the late Don Fidel Velázquez. Another claim held against the incumbent by the opposing slates referred to his concurrent holding of public office in Puebla and his association with the PRI.

José Luis Rodríguez Salazar and his slate lost the union elections in 2007. The slate that won the election did not explicitly identify with the UNT during the elections. Once the group took office, they reaffirmed SITIAVW's affiliation with the UNT. In subsequent months tensions arose in the relationship between the union and the UNT.

These examples of conflicts of representation between groups that are independent or affiliated with different labor centrals suggest a low level of cooperation within the Mexican labor movement.

IV. Conclusion

Table 4.1 illustrates the values of the four indicators for within and between labor central cooperation in Mexico in the 1990s and the 2000s.

	Joint Projects	Joint Actions	Union Networks	Conflicts of Representation
Within Labor Centrals in the 1990s	Low	Low	Moderate	Low
Between Labor Centrals in the 1990s	Low	Low	Low	High
Within Labor Centrals in the 2000s	Low	Low	Low	High
Between Labor Centrals in the 2000s	Low	Low	Low	High

Table 4.1
Indicators of Cooperation in Mexico

Both the 1990s and the 2000s in Mexico were characterized by a low incidence of joint projects and joint actions within and between labor centrals. The decrease in the overall level of cooperation is given by two indicators, union networks and conflicts of representation.

In the case of union networks, the dimension that provides variation is within labor centrals. More specifically, union networks existing within the CTM in the 1990s, as exemplified by the Ford national union, become fragmented in the 2000s. Union networks involving labor actors from different labor centrals are not prevalent in neither of the two decades. In the first part of the 2000s there were attempts, driven primarily by scholars and labor lawyers, to create cross-labor central automotive union networks. However, these attempts failed, and therefore the value of the union network indicator is low.

Conflicts of representation are high between labor centrals over both decades. The variation in this indicator is given by the difference in the level of conflict between CTM unions. In the 1990s, the value of the indicator within labor centrals is low. However, the 2000s are characterized by an increasingly high level of conflict between CTM-affiliated unions.

The decrease in union networks and the increase in conflicts of representation within the CTM in the 2000s, as compared to the 1990s, points to a decrease in cooperation within the CTM. Given that the CTM is the dominant labor central in Mexico, lower cooperation within the labor central corresponds to a downward sloping trend in cooperation in the Mexican labor movement as a whole.

Chapter 5

Union-Party Links and the Brazilian Labor Movement

I. Introduction

The election of the PT candidate Luiz Inácio Lula da Silva as president of Brazil in 2002 represented a turning moment in the history of Brazil and had profound influences on the Brazilian labor movement. Since its creation in 1980, the PT has been organically connected to the progressive labor central CUT. The links between this left party and CUT ensured a high level of cooperation within the labor central throughout the history of the two organizations. As the PT decided to participate in electoral politics and started to win elections first at the municipal level, then at the state level, and eventually at the national level, the level of cooperation within CUT remained high and in some instances increased. More surprisingly, the PT's access to power at the national level facilitated a dramatic increase in cooperation between CUT and its rival from the 1990s, FS.

This chapter explores the mechanisms through which the relationship between political parties and labor unions has influenced the direction of cooperation in the Brazilian labor movement. The two primary factors are the position of the party in government on the political spectrum and the association between the party in government and a labor central. In addition to the interaction between these two factors, left parties that are organically linked to a labor central facilitate cooperation within that labor central even when the party is not in government.

The structure of the labor movement in Brazil in the 1990s, with two primary labor centrals in a conflictual relationship, had its roots in the pattern that Brazil followed to incorporate—legalize and institutionalize—the labor movement. The Brazilian model was one of state incorporation of labor, characterized by a government-controlled official union movement and by the depoliticization of the working class. In the aftermath of incorporation, political opening fostered a repoliticization of the working class. Moreover, while unions in Brazil had been constrained by the state through the legal framework, they had not been tied to governing parties. This model facilitated the emergence of an independent, progressive wing of the labor movement (Collier and Collier [1991] 2002: 511; 546-555). By the 1980s, a dual labor movement had resulted, with the progressive, independent sector represented by CUT. FS was created in the 1990s as a legacy union to the old official unionism.⁹⁹ The emergence of a dualistic labor movement consisting of an alternative, independent unionism alongside the old, official-style unionism was common of most Latin American countries. However, this dualism was particularly pronounced in Brazil, where it originated during the military period—1964-1985—when a significant split from official unionism occurred. Although the split was never completely successful, the legacy of a dualist labor movement continued through the 1990s. The lack of strong ties between the government controlled union movement and a political party, combined

⁹⁹ In spite of FS's status as a legacy union, many FS unions in the 2000s and even as early as the 1990s implement a style of unionism significantly more representative than that practiced by the old official government-controlled unionism. Nevertheless, CUT union leaders sometimes refer to FS union leaders as "pelegos" (yellow unionists). In fact, even FS union leaders sometimes jokingly call each other "pelego."

with the processes of depoliticization and then repoliticization of the working class, created the conditions for a labor movement with two similarly powerful poles—CUT and FS—that found themselves in an antagonistic relationship with each other in the 1990s.

CUT and FS continued as the main actors in the Brazilian labor movement in the 2000s. However, through a combination between the two labor centrals' ties to political parties¹⁰⁰ and the change in national government from a not-left party to a left party, their relationship changed significantly, from one of conflict to one of increased cooperation.

Table 5.1 situates the case of Brazil in the 1990s and the case of Brazil in the 2000s in a matrix that illustrates the interaction between the type of party in government and whether the party is associated with a labor central. The association of the party in government with a labor central promotes cooperation within that labor central. The type of party in government influences cooperation between labor centrals. If the party in government is a left party, cooperation between labor centrals tends to be high. If the party in government is a not-left party, the level of cooperation between labor centrals tends to be low.

		Party in Government	
		<i>Not-Left</i>	<i>Left</i>
Party in Government Associated with a Labor Central	<i>Yes</i>	Brazil 1990s	Brazil 2000s
	<i>No</i>		

Table 5.1
Explanatory Factor Interaction and the Cases of Brazil in the 1990s and 2000s

In Brazil, both in the 1990s and in the 2000s, the party in government was associated with a labor central. As such, during both periods the level of cooperation within the labor central

¹⁰⁰ CUT has been organically linked to the PT since their creation in the early 1980s. However, as the PT started gaining political office, both organizations have changed, in ways that are explored further in this chapter. FS has had less strong, yet significant ties to center-right parties in Brazil. FS is a legacy union with historic connections to the PTB. The PSDB, as an inheritor of the PTB, naturally developed an affinity with FS.

associated with the party in government was high. This was the case with the PRN, the PMDB, and the PSDB on one hand and FS on the other hand in the 1990s, and with PT and CUT in the 2000s. The difference in the type of party between the two decades triggered an important shift in the level of cooperation between labor centrals in Brazil. While cooperation between CUT and FS was low in the 1990s, during the administrations of the not-left PRN, PMDB, and PSDB, it increased significantly in the 2000s, during the administration of the PT.

Table 5.2 illustrates how the interaction between the type of party and whether the party is in power affects cooperation within labor centrals and cooperation among labor centrals in Brazil.

Party	<i>Left</i>	<i>Not-left</i>
<i>In government</i>	PT 2000s (led to high cooperation within CUT and between CUT and FS)	PSDB 1990s (led to high cooperation within FS)
<i>Not in government</i>	PT 1990s (led to high cooperation within CUT)	PSDB 2000s (no effects on labor cooperation)

Table 5.2
Parties and Cooperation in the Labor Movement: Brazil

The main distinction in the type of party is between a left and a not-left party. The association between a political party and a labor central can occur on ideological or on pragmatic grounds. Pragmatic justifications encompass resources that the party in government can distribute to its associated labor central, including access to public office. A left party tends to be associated very closely with a labor central, as the two identify with each other on ideological grounds. This is the case of the PT and CUT in Brazil. As a result, the left party engenders cooperation within its associated labor central both when the party is and when the party is not in power. In addition, when the party is in power, the association with the labor central is also justified by pragmatic reasons and the closer relationship between the party and the central leads to increased cooperation within the core of the central.

A not-left party, even if it is associated with a labor central, generally does not have a similarly strong connection with that labor central, as ideological connections tend to be weak in the context of Latin American parties. This is the case of the PSDB in Brazil, a not-left party that was associated with FS in the second half of the 1990s.

When the PSDB was not in power, as was the case in the 2000s, it was not strongly associated with FS and it did not influence the level of cooperation within FS. However, in the

1990s, when the PSDB was in power, its association with FS was stronger, based on a pragmatic justification. During the PSDB administration, the links between the party and the labor central translated into higher cooperation within FS.

II. Brazil in the 1990s and the First Set of Hypotheses

As introduced in Chapter 1, the first set of hypotheses of this study states that when a not-left party in power is associated with a labor central, cooperation within that labor central increases, there are no effects within labor centrals not associated with the governing party, and cooperation between labor centrals is expected to be low. In the 1990s, the parties that were in power in Brazil at the national level were not-left parties, with no official affiliation with any labor centrals. However, these parties, while in government, had an association with FS.

The parties that ruled Brazil in the 1990s were ideologically situated on the right of the political spectrum, were in coalition with the right, were a legacy of earlier conservative parties, changed their center-left-leaning ideology to more conservative tendencies once in power, or a combination of the above. Between 1990 and 1992, the president of Brazil was Fernando Collor de Mello. In a manner typical of the fragmented, weak party system in Brazil,¹⁰¹ Collor changed his political party affiliation several times throughout his political career. During the presidential campaign of 1989 and during his presidency, Collor was a member of the PRN, a centrist political party. By 2000 Collor had switched to the Partido Renovador Trabalhista Brasileiro (Brazilian Labor Renewal Party, PRTB), a small populist-centrist party. By 2007, Collor had changed allegiance to the PTB, a center-right political party that, similar to the PSDB, was a legacy party of the historical PTB. Collor's political trajectory pointed to the similarities between his administration and the Fernando Henrique Cardoso administration of the second half of the 1990s.

Itamar Franco, who had been vice-president under the Collor administration, became president of Brazil in 1992 following Collor's impeachment. He remained president until 1995, when he was succeeded by Fernando Henrique Cardoso. In the late 1950s and early 1960s Itamar Franco had been affiliated with the original PTB. As vice-president, Franco was a member of the PRN. During his presidency, Franco was affiliated with the PMDB, a large umbrella party without a clearly dominating ideology, yet a party that produced important conservative leaders, such as José Sarney, who was president of Brazil before Collor. Franco's presidency had two main elements relevant to the present study. First, the Franco administration fostered the development of the sectoral chambers, and in particular of the automotive sectoral chambers. The sectoral chambers as forums of concertated discussions among government, business, and labor actors focused on defining industrial policy had first been introduced at the end of the 1980s. However, they did not flourish until the Franco administration between 1992 and 1995. The sectoral chambers had the potential to foster cooperation among labor unions (Anderson 1999: 9-36). However, the second important element of the Franco administration was represented by the neoliberal economic policies implemented by Fernando Henrique Cardoso, who was Minister of Finance at the time and proceeded to become president of Brazil in 1995. These policies were an illustration of the right-wing tendencies of the Franco administration and antagonized CUT.

The most enduring political legacy of the 1990s was the presidency of Fernando Henrique Cardoso for two consecutive terms in the second half of the 1990s. Cardoso had been a

¹⁰¹ With the exception of the PT.

left-leaning scholar, but as a politician and president he promoted primarily rightist policies. His party, the PSDB, was a legacy party of the historical PTB. Earlier in his political career, Cardoso had been affiliated with the PMDB and, in the 1980s, assisted a group of PMDB legislators to form the PSDB. He was elected president with the support of an alliance of his party, the PSDB, and two parties on the right of the political spectrum, the Partido da Frente Liberal (Liberal Front Party, PFL) and the PTB. After the election, two more parties joined the coalition, the PMDB and the right-wing Partido Progressista Brasileiro (Brazilian Progressive Party, PPB).

During the Cardoso administration, the main party in government, the PSDB, along with the other parties in the governing coalition, was closely associated with FS. During this time, CUT continued affiliated with the PT and acted in opposition to the government. Cardoso dissolved the sectoral chambers and the opportunities for cooperation between labor centrals that these institutions could have created. In addition to the support from FS, the governing coalition had the support of business actors, whose interests it primarily promoted. Given this broad basis of support, the PSDB in government did not need to attract CUT as a follower. As a result, the drift between CUT and FS was at its highest during the second half of the 1990s.

FS was created in 1991, under the Collor administration, as a counter-balancing force to CUT and a dialogue partner in the labor movement for the conservative PRN government. While CUT was associated, especially in the 1990s, with a type of unionism focused on reformist or social-democratic projects of social change, FS was formed as an expression of the “*sindicalismo de resultados*” (bread and butter unionism) and as an ally to the national government at the time in promoting neoliberal policies. In their foundation document, FS stated their vision of labor relations as abandoning the politics of systematic confrontation between labor and capital and implementing a new form of management and flexibilization, in the context of a leaner, decentralized state (Força Sindical 1992: 41-43).

The division between CUT and FS in the 1990s in Brazil was prefaced during the presidential campaign of 1989. CUT and other left-wing groups of the Brazilian labor movement supported Luis Inácio Lula da Silva during both rounds of the elections. FS as such did not exist yet, but the type of unionism it would come to represent—bread and butter unionism—was already forging an identity. Two of the main proponents of bread and butter unionism who would become key actors within FS, Luis Antônio de Medeiros and Antônio Rogério Magri, openly supported Fernando Collor de Mello for the two rounds of presidential elections and throughout his presidency (Comin 1995: 126-133; Sluyter-Beltrao 2003: 547-550).

Medeiros had been president of the São Paulo Metalworkers’ Union since 1986. In the aftermath of the creation of FS, the São Paulo Metalworkers’ Union would become one of the most important unions within the labor central. At present, the headquarters of FS and the São Paulo Metalworkers’ Union are located in the same building. Magri had been president of the São Paulo Electrical Workers’ Union for four consecutive mandates. While the two unions and in particular the São Paulo Metalworkers’ Union had experienced a sequence of internal conflicts and changes in ideology and strategies, by the early 1990s, under the leadership of Medeiros and Magri, respectively, they had come to follow the general lines of bread and butter unionism. This body of ideas, illustrated in the alliance between Medeiros and Magri, would constitute the core of the newly formed central FS (Giannotti 2002: 41).

Throughout the 1990s, FS received preferential treatment from the government. For example, the Collor administration directed an estimated USD 500,000 of public funds to finance

FS projects such as a new labor educational center and mobile medical clinics (Sluyter-Beltrao 2003: 550). The resources that the governments of the 1990s allocated to FS contributed to the internal cohesion of FS, while at the same time deepening the divide between FS and CUT, who did not have access to the same resources. Carlos Alberto Grana, president of CNM/CUT, describes how the Collor administration promoted FS and contributed to its consolidation:

*“What happened was that, as the [presidential] election [of 1989] was very close, this sector that founded FS was already breaking off from the CGT and it needed an impulse to create a new labor central. This impulse came from the Collor government through a series of policies, of investment programs, of agreements that facilitated the growth and strengthening of FS as the labor central that constituted a support base for the Collor government.”*¹⁰²

FS has never been officially affiliated with a specific political party. Moreover, several of its leaders, among them Medeiros and Magri, had often claimed to be apolitical and non-partisan. Nevertheless, they manifested their support for the center-right parties that were in government in Brazil in the 1990s, starting with the presidential campaign of 1989. In addition, throughout the 1990s they promoted the neoliberal policies particularly embraced by the Collor, and later, by the Cardoso administration. These policies included a defense of capitalism, free markets, free trade, productivity, privatization, and a limited role for the state (Comin 1995: 156-161).

III. Brazil in the 2000s and the Second Set of Hypotheses

As stated in Chapter 1, the second set of hypotheses of this study refers to a left-party in power associated with a labor central. There are two hypothesized implications of this situation: an increase in cooperation within and between labor centrals.

Starting in 2003, Lula became president of Brazil. His party, the PT, was organically linked to CUT since their formation in the early 1980s. The link between CUT and the PT was stronger than the links between FS and the center-right parties that were in government in Brazil in the 1990s. The PT was born as an instrument for addressing the demands of the leftist section of the labor movement. From the point of view of CUT leaders, when they realized in the early 1980s that unions could fight to increase wages, but any gains they obtained could be quickly overturned by a government measure, they understood it was necessary to create an affiliated political party. A political party was considered to be more powerful in ensuring a distribution of resources favorable to the leftist section of the labor movement at the municipal, state, and national levels. The president of CNM/CUT described his vision of the organic relationship between the party and the labor central:

*“The PT and the labor movement were two stones of the same body whose focus is defending the interests of the majority of the population, of the Brazilian working class, so the two come together perfectly.”*¹⁰³

The same CUT labor leader, active within the PT, evaluated that the creation of the party was a success for facilitating the advancement of the labor movement. At the time when the PT was created, CUT was trying to reduce the workweek and was able to obtain a series of agreements in this sense. This victory was institutionalized into law in the mid-1980s, and sealed by the 1988 Constitution which declared the maximum workweek of 44 hours. The president of CNM/CUT believed that this institutionalization of the labor movement's achievements was due to the

¹⁰² Grana, Carlos Alberto. 2007. Interview by author. São Paulo, São Paulo, Brazil, August 20.

¹⁰³ Grana, Carlos Alberto. 2007. Interview by author. São Paulo, São Paulo, Brazil, August 20.

political victories of the PT and the support the party lent to the labor central. In addition to helping the labor movement achieve and maintain bread and butter results, an affiliated political party was perceived as crucial in advancing CUT's wider social agenda.

As the link between CUT and the PT was fomented by a common ideology, their association translated into a high level of cooperation within CUT throughout both decades under study. However, in the 2000s, the PT government was also able to distribute significant political resources to CUT, which strengthened the link between the party and the labor central and provided an additional impetus for cooperation within CUT.

As the PT became increasingly more successful in the game of electoral politics, winning first municipal, then state, and eventually national elections, it underwent a process of institutionalization and moderation (Randall and Svåsand 2002: 5-29). The relationship between CUT and the PT also meant that the process of moderation was reflected in the labor central, with the effect of bringing CUT and FS closer together, a mechanism that is further explored in this section. In addition to this mechanism of promoting cooperation between labor centrals, a second mechanism was at work, namely the general pro-labor stance of a left party like the PT which resulted in the involvement of all important labor actors, creating opportune conditions for collaboration between the formerly rival labor centrals.

Once the PT won the national elections in 2002, it was not surprising that CUT, the labor central that had been organically linked to the PT since their formation, would support the PT administration. Neither was it surprising that the left party in government would offer the leaders of its affiliated central political appointments. However, given the history of the Brazilian labor movement and in particular the formation of FS, one would not necessarily predict actions by the left party in government promoting cooperation among the two labor centrals. As discussed above, FS was created based on legacies from the old, official unionism, with the goal to provide a further right labor central alternative to CUT, to appease business actors, and to support center-right governments.

III.A. Second Set of Hypotheses Mechanism 1

The first mechanism—illustrated by Brazil in the 2000s—through which a left party in government associated with a labor central promoted cooperation between labor centrals was the moderation in PT strategies, mirrored by a moderation in CUT strategies.

CUT and the PT were, since their creation, heterogeneous groups combining factions situated at different points on the left side of the political spectrum. However, since the PT started gaining ground in electoral politics, Articulation, the primary, more moderate faction within the party, evolved towards a position of hegemony within the organization. Most of the factions within the party had a correspondent within the labor central. The increasing domination of the Articulation faction within the party was followed by a similar domination of the Articulation faction within the labor central. As the dominant faction was more moderate than some of the other, more radical groups within the organization, the strategies of the entire labor central became more moderate, slowly in the 1990s and much more pronouncedly in the 2000s. This process of moderation of CUT brought the labor central closer to its former competitor from the 1990s, FS.

The logic behind the moderation of the PT was its necessity, as a player in the game of electoral politics, to reach a larger share of the electorate. The logic behind the moderation of

CUT was based on its organic link with the PT, as well as by economic constraints acting in the same time period. Rodrigues and Ramalho (2009: 7-8; 23-24) explained how the CUT unions gradually switched from conflict-based strategies to negotiation-based strategies. These new strategies were used by the unions to negotiate solutions in a context of crisis,¹⁰⁴ where multinational automotive corporations in Brazil responded to the global processes of production restructuring by applying transformations in production and the organization and management of labor. Company representatives attributed the moderation in union strategies to economic constraints:

*“When they felt the devil touching them, by which I mean, for example, when the Ford factory in São Bernardo was considering closing down, that is when the [labor union] reacted. Hence we now have interesting changes, pretty flexible, that have allowed new investment to come here.”*¹⁰⁵

While the new, more moderate union strategies were a response to an economic situation, they were not the only possible response. Other alternatives are discussed in the following chapters.

While the process of moderation was more pronounced in the 2000s, it started earlier. The PT’s decision to enter electoral politics before the beginning of the 1990s was the first step that triggered this process, first within the party and consequently within the labor central. As early as the first part of the 1990’s, in the context of the sectoral chambers, Articulation—the more moderate faction of CUT—was starting to gain ground. This initial instance of moderation within CUT coincided with an initial interest in a possible cooperation between CUT and FS, also expressed in the context of the sectoral chambers. However, the dynamics of the links between the labor centrals and the political parties in power in the 1990s, including the dissolution of the sectoral chambers by the Cardoso administration, did not provide the conditions necessary for nurturing this cooperation:

*“When we decided to have the Sectoral Chamber agreements, there was a lot of debated within the labor movement, within CUT. Some of the factions were saying this would not solve the problem, that it was akin to managing capital, and that CUT was socialist, and we had to continue fighting more each time to be able to win the revolution. There was a debate, but the idea that prevailed was that negotiation, without disregarding our principles, was the role of the labor union, the union was meant to negotiate, strike, negotiate, strike, negotiate. Our vision prevailed.”*¹⁰⁶

The decreasing preference for strikes constituted one of the main manifestations of moderation in union strategies, as described by a former union leader turned elected politician at the municipal level:

*“Now things seem smoother, calmer. The relationship [between automotive companies and the ABC Metalworkers’ Union] is different, today things are talked through, there is a dialogue, so things become easier. Before [...] it was very difficult, there was no communication, no dialogue, it was all conflict and strikes[...]. Today this relationship, I would say, is a little more harmonious, it changed a lot. Nowadays there are hardly any strikes.”*¹⁰⁷

A former union leader turned elected politician at the federal level explained how the process of moderation started in the 1990s—when the PT started to win political office at the municipal and

¹⁰⁴ The crisis was characterized by overproduction, national economic recession, massive lay-offs, and widespread fear of losing their jobs among the workers, as automotive companies threatened to relocate.

¹⁰⁵ Labor relations manager 1. 2007. Interview by author. São Bernardo do Campo, São Paulo, Brazil, July 5.

¹⁰⁶ Da Silva, Vicente Vicentinho. 2007. Interview by author. São Paulo, São Paulo, Brazil, March 9.

¹⁰⁷ Filho, José Montoro Montorinho. 2007. Interview by author. Santo André, São Paulo, Brazil, April 11.

state levels—but was more pronounced in the 2000s—when the PT came to power at the federal level:

*“In the 1990s the relationship [between automotive companies and the SMABC labor union] improved a little bit. Today the relationship is significantly better.”*¹⁰⁸

In the 1980s, reducing the workweek from 48 to 44 hours cost the unions and the companies whose workers they represented 54 days of strike and multiple firings. In the late 1990s and early 2000s, further reductions to the workweek were obtained without strikes.

The reduction in strikes and increased focus on negotiation for CUT unions brought them closer to FS unions. In addition, moderation ensured that CUT unions representing workers at the old automotive plants from the traditional areas of investment would be able to maintain their bases of representation, as less radical unions and more potential for flexibilization incentivized automotive companies to continue investing in these plants. Having maintained their strength, these unions also maintained the capability to pursue their interest in lowering the differences in working conditions between the old plants located in the traditional investment areas and the new plants located in the periphery. This interest was motivated both by union solidarity and by the desire to reduce the risk of investment flight from the old plants. The model that Brazilian unions decided to pursue to achieve lower differences in wages and working conditions between old and new plants was national level collective bargaining. As discussed in Chapter 3, this project generated several common actions across labor centrals and promoted increased cooperation between CUT and FS. Whether indirectly by allowing unions representing workers from the old plants to pursue their interests through collaborative strategies, or directly by reducing the ideological and practical distance between the two main labor centrals, moderation played a key role in increasing cooperation between labor centrals in Brazil in the 2000s.

III.B. Second Set of Hypotheses Mechanism 2

The second mechanism through which a left party in power promotes cooperation between labor centrals is related to electoral necessities. A left party that desires to attain and maintain political office requires political support from all sections of the labor movement, including those that are not traditionally associated with it and that may have a conflictual history vis-à-vis the party’s primary labor affiliate. This need on behalf of the party creates a propitious context for cooperation between formerly rival labor centrals.

Writing on parties in Europe, Przeworski (1985: 104) discussed the “dilemma of electoral socialism.” Since 1890, the working class had not constituted a majority of the electorate in most countries. As a result, if a socialist party desired to win elections, it needed to secure the votes of most workers and to extend its reach to electoral groups beyond the working class. Focusing on the salience of class, Przeworski (1985: 209) was concerned that the strategy of seeking a broader base of electoral support would minimize the concept of class and could ultimately affect the cohesion of the working class.

This study finds that left parties in Latin America sought the support of groups beyond the working class. However, their first line electorate remained the working class, and in order to

¹⁰⁸ Da Silva, Vicente Vicentinho. 2007. Interview by author. São Paulo, São Paulo, Brazil, March 9.

secure the votes of the highest possible number of workers, left parties created conditions for cooperation within the labor movement, in particular between labor centrals.

During his first term in office, Lula involved labor leaders in the government apparatus mainly through the Department of Labor. He named primarily CUT union leaders to political office. As an example, in 2005, Luiz Marinho, who was president of CUT at the time and had been president of the ABC Metalworkers' Union,¹⁰⁹ was called to head the Department of Labor. During his second term, Lula assigned Marinho to the Department of Social Security. In his place, Carlos Lupi, the president at the time of the PDT, was named Minister of Labor. While FS was not affiliated with any specific party, one of the parties with which it had been associated was the PDT.¹¹⁰ Lupi was appointed minister in 2007 and he continued as president of the PDT in parallel until a year later in 2008.

According to a labor lawyer who had been active in PT administrations first at the state level in Rio Grande do Sul and then at the federal level,¹¹¹ the PT administration at the federal level reduced the level of conflict between CUT and FS based on the party's need for a broader base of support, but also due to the particular choices for Minister of Labor. Naming the head of CUT as Minister of Labor meant that he could not deny requests made by FS in order to demonstrate his objectivity, and could not deny requests made by CUT due to his connection with the labor central. As both centrals were appeased, tensions between them were reduced.

The president of CNM/CUT described the closeness between CUT and FS in the 2000s and in particular in the second Lula mandate as a necessity for both labor centrals, but also a unique situation and a consequence of the politics of a left party government:

*"It is even an unusual situation, all the labor centrals in Brazil at this point have a favorable position [...] they are not in opposition to the government, on the contrary, there is a lot of unity, of concertation among labor centrals. [...] The [...] labor centrals in Brazil have a cohesive position in support of the Lula government – of course, each one with its particularities. I think that a good part of this closeness was a result of this trajectory [of Lula's] of defending the metalworkers' sector in Brazil, mainly within the CUT and FS, which today practically share among themselves more than 90% of the representation of metalworkers in Brazil."*¹¹²

Both the president of Brazil and the president of CNM/CUT had a union background in the metalworkers' sector, as did Marinho. Consequently, the metalworkers' sector was of particular concern to the PT administration. Both FS and CUT, as the two centrals representing almost all metalworkers' unions in Brazil, experienced the consequences of this concern, under various forms of government support. One of the main examples of government support for the labor movement featured the Banco Nacional do Desenvolvimento (National Development Bank, BNDES), who in 2006 threatened to withdraw a loan promised to Volkswagen unless the company implemented an alternative solution to massive lay-offs at its plant in São Bernardo do Campo.

In addition to narrowing the differences between the two labor centrals by offering political appointments to key figures associated with both of them, the PT administration created

¹⁰⁹ The ABC Metalworkers' Union is the union where Lula had activated.

¹¹⁰ Paulo Pereira da Silva, known as Paulinho, president of FS in the 2000s, was elected federal deputy as a candidate of the PDT in 2006.

¹¹¹ Lucca, Marcelo. 2007. Interview by author. Porto Alegre, RS, Brazil, August 1.

¹¹² Grana, Carlos Alberto. 2007. Interview by author. São Paulo, SP, Brazil, August 20.

opportunities for FS and CUT to collaborate. Table 5.3 illustrates the initiatives of the first Lula mandate that fostered collaboration between labor centrals.

Main democratization initiatives for public policy debate spaces	1. National Labor Forum (space for dialogue and negotiation to promote labor and union reform) - it is tripartite - on the labor side, it calls for the participation of all labor centrals 2. Council for Economic and Social Development 3. Negotiation Table for Civil Service 4. Sectoral Chamber for Public Service 5. National Council for Industrial Policy 6. Quadripartite Commission for Minimum Wage
Main Results of the National Labor Forum	Elaboration of the union legislation reform draft “Mini labor package”, instituting the National Council for Labor Relations, the Labor Centrals and the Regulation of the Work Cooperatives. Creation of the Sectoral Chamber for Public Service Creation of the Sectoral Chamber for the Rural Sector The following Work Groups were prescribed: - Work Group for the Administrative and Judicial Labor Organization - Work Group for Health, Safety, and Work Inspection Standards - Work Group for Micro and Small Enterprises - Work Group for Self-Management and Informality - Work Group for Professional Qualification and Certification The following Sectoral Chambers were prescribed: - Port Sectoral Chamber - Sailors’ Sectoral Chamber - Liberal Professions Sectoral Chamber - Transportation Sectoral Chamber - Retirees’ Sectoral Chamber
Provisional Decree 294, 8/5/2006	Creation of the National Council for Labor Relations, through the Provisional Decree 294
Provisional Decree 293, 8/5/2006	Official recognition of Labor Centrals, enabling their participation as such in councils and public forums, through the Provisional Decree 293

Table 5.3
(DIEESE 2006, cited in Rodrigues and Ramalho 2009)

The Main Initiatives of the First Lula Mandate Promoting Cooperation between Labor Centrals

The most significant government-created opportunity for collaboration was the Fórum Nacional do Trabalho (National Forum on Labor), a discussion forum with participation from the government, business and labor actors focused on developing a proposal for labor law reform. Even though the elaborate package of reform proposals produced by the National Forum on Labor was not passed, some of its provisions, such as the legalization of the labor centrals, passed, marking a historic moment in Brazilian labor legislation. More importantly for the

present study, the forum provided an arena for collaboration between the two formerly rival labor centrals, CUT and FS.

The opportunities created by the PT government, in its search for a broader labor-based electorate, for collaboration between the two main labor centrals, together with the mechanism of moderation which reduced the differences between them, provided the basis for increased cooperation in the Brazilian labor movement in the 2000s. By contrast, the previous decade of the 1990s illustrated how not-left parties in power associated with a labor central generate disunity between labor centrals.

Chapter 6

Union-Party Links and the Mexican Labor Movement

I. Introduction

In the 2000 Mexican presidential election, the winner was Vicente Fox Quesada, the candidate of the PAN. The results of this election represented a historical moment in Mexico, as they ended the seventy-one year rule of the PRI. This chapter explores how this shift in political power and the links between labor centrals and political parties have affected cooperation in the Mexican labor movement.

Mexican labor scholars who have written about the labor movement in relation to the PAN administrations of the 2000s were interested in identifying change in the pattern of government–labor–business relations and took a normative stand against the PRI model of corporatism. As such, they reported that there was little change, as their expectations of a more democratic relationship had not been fulfilled (Bensusán 2006: 21-23; Hermanson and De la Garza Toledo 2005: 200-213). The PAN administrations continued to relate to specific CTM unions in ways similar to how the previous PRI administrations related to the CTM as a whole. However, the selective relationship between the PAN and CTM unions and the inability of the PAN administrations to offer political office to CTM leaders who continued to be members of the PRI resulted in an important change in the level of cooperation within the labor central.

The structure of the labor movement in Mexico in the 1990s and the 2000s had its roots in radical populism, the type of party incorporation of the labor movement that Mexico experienced. Under the Cárdenas presidency in the second half of the 1930s, an alliance was formed between the party in power and the working class. The CTM was formed in 1936 and it was through this labor central that labor was incorporated into the ruling party. At the time, the CTM represented a unification of labor (Collier and Collier [1991] 2002: 236-239). In the 1960s and 1970s the Mexican automotive industry experienced a wave of union democratization. Unions representing workers at four of the seven auto companies in the country at the time broke their ties with the CTM and became independent (Middlebrook 1991: 278). By the 1990s, several of the plants represented by independent unions had closed and, of 18 automotive factories in Mexico, only two were represented by non-CTM unions. As the PRI had been a very successful labor-based party, the CTM had become an organization sufficiently big and powerful to override the independent split. Throughout most of the history of labor in the Mexican automotive industry, the CTM was the dominant labor central. Consequently, changes in the level of cooperation within the CTM were the primary indicator of the level of cooperation within the Mexican automotive labor movement.

Table 6.1 situates the case of Mexico in the 1990s and the case of Mexico in the 2000s in a matrix that illustrates the interaction between the type of party in government and the party's association with a labor central.

		Party in Government	
		<i>Not-Left</i>	<i>Left</i>
Party in Government Associated with a Labor Central	<i>Yes</i>	Mexico 1990s	
	<i>No</i>	Mexico 2000s	

Table 6.1
Explanatory Factor Interaction and the Cases of Mexico in the 1990s and 2000s

Mexico had not-left parties in government both in the 1990s and in the 2000s. The PRI, a not-left populist party, was in power in the 1990s. The PAN, a not-left party further right on the political spectrum from the PRI, was in power in the 2000s. The main difference between the 1990s and the 2000s in Mexico was the association of the party in government with a labor central. The PRI was associated with the CTM. The PAN, however, was not associated with any labor central as a whole, although the second half of the chapter will address the selective association between the PAN administration and specific CTM unions. As Mexico did not have a left party in power in the 1990s or the 2000s, the level of cooperation between labor centrals was low throughout both decades under study and experienced a further decrease in the 2000s, under the administrations of a not-left party not associated with any labor central. The primary change that occurred in the Mexican labor movement between the 1990s and the 2000s was the decrease in cooperation within the CTM. Given that the CTM had a significantly larger membership than any other labor central in Mexico, the decrease in cooperation within the CTM was equivalent to a decrease in the overall level of cooperation in the Mexican labor movement.

Table 6.2 illustrates how the interaction between the type of party and whether the party is in power affected cooperation within and among labor centrals in Mexico.

Party	<i>Left</i>	<i>Not-left</i>
<i>In government</i>		PRI 1990s (led to high cooperation within the CTM) PAN 2000s (led to decreased cooperation within and between labor centrals)
<i>Not in government</i>		PRI 2000s (led to decreased cooperation within the CTM) PAN 1990s (no effects)

Table 6.2
Parties and Cooperation in the Labor Movement: Mexico

The PRI was not organically linked to the CTM through definite ideological affinities. Nevertheless, the two organizations were linked to each other since the creation of the CTM in 1936.¹¹³ Throughout the extended period of time that the PRI was in power—1929 to 2000—the association with the CTM was justified by pragmatic reasons, as the party in power was able to deliver resources and provide opportunities for political office to CTM union leaders. The result was high cooperation within the labor central. The pragmatic nature of the association between the PRI and the CTM contributed to the fast deterioration of their relationship once the PRI was ousted from power. As the PRI could no longer distribute resources, but the newly elected PAN government could, some CTM leaders sought to build a relationship with the PAN government. Leonardo Rodríguez Alcaine, president of the CTM when Vicente Fox became president of Mexico in 2000, had declared that he would call a general strike to defend workers' rights in case Fox won the elections. Nevertheless, as Fox took office, Alcaine led the CTM in its attempts to collaborate with the new administration (Bensusán 2006: 19-20). However, the CTM continued to be officially affiliated with the PRI, while the PAN government was interested in particular unions within the CTM. Political tensions and the lack of a clear political direction for the labor central promoted internal conflict and a decrease in cooperation within the CTM.

II. Mexico in the 1990s and the First Set of Hypotheses

¹¹³ Between 1929 and 1938, the PRI was named Partido Nacional Revolucionario (National Revolutionary Party, PNR). Between 1938 and 1946 the party was named Partido de la Revolución Mexicana (Party of the Mexican Revolution, PRM). In 1946 the name of the party changed to PRI.

The first set of hypotheses states that when a not-left party in power is associated with a labor central, cooperation within that labor central increases, cooperation within other labor centrals is not affected, and cooperation between labor centrals is low. In Mexico, the PRI was in power at the national level during the 1990s. The party was associated with the CTM. Although the relationship between the PRI and the CTM had started to weaken in the 1980s, it continued throughout the 1990s, while the party was still in power and able to deliver resources to the CTM, even if to a lesser extent than in past decades.

Based on the pragmatic gains that the CTM continued to obtain from the PRI administrations, the CTM was subordinated to the PRI. This relationship with the party enabled the national leadership of the CTM to control its regional branches and affiliated unions, thus maintaining the highly centralized nature of the organization.

While the PRI was in power, the CTM continued to hold onto some of its prerogatives of earlier decades. As a representative of the Mexican labor movement, the CTM had been able to participate in party politics and to activate in government agencies. CTM labor leaders had been able to deliver votes to the PRI at the time of elections. In addition, they were able to make credible threats to withdraw their support of PRI candidates in order to secure concessions from the government, avoid government decisions perceived as having negative implications for the CTM, and influence the direction of national development. In this way, CTM labor leaders experienced a direct involvement in politics at the national level, as well as at the state and municipal levels. On one hand, the CTM was valuable to the PRI because it could lend political support and discipline (Cook 1995: 78). On the other hand, the close ties between the labor central and the party and the privileged position of the CTM national leadership made it possible for the labor central to foster discipline in its ranks and maintain a highly centralized and relatively uniform organization, with a high degree of internal cooperation.

As a not-left party in power associated with a labor central, the PRI in the 1990s did not promote cooperation between labor centrals in the way that a left party in power associated with a labor central would. In the early days of the CTM in the 1930s, the CTM was supposed to represent the entire Mexican labor movement. Therefore, for the party, having incorporated the CTM was equivalent to incorporating the labor movement, without a need to actively seek support from non-CTM labor actors. By the 1990s, there were other labor centrals in Mexico not related to the CTM or the PRI. However, because historically it had not sought a labor electorate outside the CTM, and because the CTM continued to represent the majority of unionized workers in Mexico, the PRI did not reach out to non-CTM unions.

Moreover, a left party in power tends to move to the right on the political spectrum and needs to show moderation by appealing to not-left elements of the labor movement in order to maintain a large enough basis of support. However, a not-left party like the PRI is more moderate, which means it can more easily appeal to interest groups further to the right, without the need to garner the support of the entire labor movement.

III. Mexico in the 2000s and the Third Set of Hypotheses

As introduced in Chapter 1, the third set of hypotheses states that a not-left party in power that is not associated with a labor central prompts a decrease in cooperation within labor

centrals as well as a decrease in cooperation between labor centrals. This was the case in Mexico in the 2000s, when the PAN came to power.

Different from left parties and from not-left parties like the PRI, who had incorporated labor, not-left parties like the PAN do not need to approach labor as an important potential electorate. The electorate of such not-left parties is comprised of other organized groups, primarily business actors. Consequently, the PAN did not have the same incentives to allocate resources to labor actors, offer political appointments, or create forums for policy discussions where one of the main participant groups came from the labor movement.

Nevertheless, rightist not-left parties in government tend to foster a relationship with some labor groups in order to control labor and create favorable conditions for business actors in general and, in the case of Mexico in the 2000s, to attract foreign direct investment. However, these needs can be fulfilled by associating with specific unions or selected sectors of the labor movement and do not imply an association between the party and a labor central. The PAN was not associated with any labor central, but in the 2000s it had a relationship with particular CTM-affiliated unions, even though in theory all CTM-affiliated unions continued to be associated with the PRI. Subsequently, conflicts of representation were generated within the CTM, where unions that had a link with the PAN had the government's support in competing against other unions who did not have this kind of relationship with the party in power.

The unions favored by the PAN in government were those that avoided conflict with business actors and contributed to the provision of a stable labor environment for investors in the country. Given its primary interest in protecting business actors and fostering economic growth through investment, the PAN encouraged unions who acted in accordance with business interests. SNTIMAPA, Tereso Medina's union presented in Chapter 4, was one of the CTM-affiliated unions favored by the PAN national government. In their conflict with SITIMM over representation rights in the General Motors plant in Silao—also discussed in Chapter 4—SNTIMAPA was favored by the company as well as by the government representatives who oversaw the recount of worker preferences.

Government representatives publicly referred to Medina and his style of unionism as an important incentive for foreign investors. In his speech at the inauguration of the Daimler Truck Plant in the state of Coahuila, the governor, Humberto Moreira Valdés, emphasized the importance of the labor unions, of Tereso Medina, and of the “new labor culture” as crucial incentives for companies to invest in the state:

“I would also like to tell you, Mr. President [of the Republic], that we have advantages when it comes to installing a company in our country. Why do we have advantages? Because we have Coahuilans like don César; because we have labor unions of the new labor culture, of which CTM Coahuila and our state labor leader are an example at the national level. I would like to offer recognition to those who are part of this package of incentives that the State of Coahuila has to offer, and that is labor leader Tereso Medina and don Hugo who is also present here, union leader of this plant.” (Moreira Valdés 2009).

The “new labor culture,” as it referred to a style of unionism void of conflict with business representatives, was embraced and promoted by the PAN government. The unions with which the PAN associated were representatives of this paradigm.

Other automotive unions tried to emulate Medina's model of expansion. As secretary general of SITIAVW, José Luis Rodríguez had an interest to expand his union's area of

representation and to concentrate power. However, he was unsuccessful, as his union lacked the backing of a powerful labor central and, more importantly, links with the political party in office:

*“Our organization has always had a great project, to grow and be able to affiliate to our union the auto parts suppliers [...]. What happens is that this is a very complicated Project, very costly both economically and politically. We would be competing with the most powerful labor centrals in this country [...] and the governments that have agreements with them.”*¹¹⁴

While unsuccessful at expanding the area of representation of the union, in the 2000s Rodríguez and his union participated in joint actions with unions from auto suppliers’ plants. Nevertheless, regardless of the extent of the joint actions, no progress was made towards incorporating these unions into SITIAVW.

In addition to the direct effects on cooperation of having a not-left party not associated with a labor central in power, a national PAN administration meant the PRI was no longer in power at the national level. The relationship between the CTM and the PRI had started to deteriorate in the 1980s, as the representativeness of the PRI’s labor and other popular sectors declined. In the 1988 presidential elections, the CTM was unable to deliver votes to the PRI as it had been in the past (Cook 1995: 80). However, the CTM continued to be associated with the PRI. The weakening of the link between the party and the labor central advanced rapidly once the PRI was ousted from power at the national level in 2000, as the party was no longer able to deliver resources to the CTM. One of the consequences of the decline in the links between the PRI and the CTM was a phenomenon of decentralization within the labor central:

*“There is no leader who has been capable or establishing order. Before, we may have been told that we lived under the dictatorial aspect of the PRI, but we knew there was a head and we respected that head. When he pointed the way, all of us went in that direction and that was the end of the story [...]. But now each [union leader] manages his slice and the rest does not matter.”*¹¹⁵

The CTM had lost its position as a powerful political actor. Its presence in the legislative and executive branches at the national, state, and municipal levels had diminished, as had the labor central’s ability to influence political decisions about wages received by labor union members (Arteaga García and Fimbres Ocaña 2004: 3). Whereas during earlier PRI administrations the CTM had been able to have up to 70 deputies, by 2007, under the PAN administration, it had only four. In the past, the CTM had usually had several senators at the same time. By 2007, it had only one. The same drastic reduction occurred in the number of CTM leaders in political office at the state and municipal levels. During earlier PRI administrations, the party had a quota of political positions to be awarded to each popular sector that it had incorporated, including the labor sector represented by the CTM:

*“In the corporatist state, there was a political quota for each sector—so many positions for the CTM, this many for the rural sector, this many for the popular sector and so on and so forth. But little by little this started to change. Today, there are no more political quotas. Now whoever wants political office has to win it [in elections].”*¹¹⁶

As a result, the capacity of the CTM’s national leadership to control the regional and local CTM organizations and affiliated unions diminished. The leaders of the national CTM had been united around the PRI government. As the PRI lost the presidential elections, division grew not only

¹¹⁴ Rodríguez Salazar, José Luis. 2007. Interview by author. Puebla, Puebla, Mexico, October 17.

¹¹⁵ Callejas, Juan Moisés. 2007. Interview by author. Mexico City, DF, Mexico, October 3.

¹¹⁶ Solís, Vicente. 2007. Interview by author. Hermosillo, Sonora, Mexico, December 18.

between regional CTM branches, but also within the national leadership. The two dimensions of division were related, as competing sectors of the national leadership of the central supported different local groups that competed against each other. This was the case with the conflict of representation at the Ford factory in Hermosillo—presented in Chapter 4—where certain national leaders of the CTM supported the national leadership of the Ford national union, while others offered their support to the local union leadership.

From the point of view of the Political Action Committee of the national CTM, the relationship between the labor central and the PRI continued into the 2000s, but in a different form. In the 1990s, while the PRI was still in power, the CTM leadership had a direct relationship with state authorities, as they belonged to the same party. The relationship between the labor central and the party was more taxing in the 2000s, as the party had lost the strength it had when its leader was president of the republic. Moreover, the political decentralization that Mexico experienced in the 2000s translated into increased power and access to resources for state level governmental authorities. This situation, from the point of view of the CTM, led to a disequilibrium of forces between the national committee of the PRI and state governments. In turn, this disequilibrium rendered the relationship between the labor central and the party difficult. The leadership of the Political Action Committee of the CTM felt that it had become increasingly challenging to make the voice of the labor central heard in the party, as the party focused more on finding a way to come back to power than on addressing the concerns of the CTM and its other popular sectors.¹¹⁷

The strategy implemented by the PAN in government to associate with specific CTM affiliated unions, corroborated with the decline in the relationship between the PRI and the CTM once the PRI was no longer in government, resulted in an organizational fragmentation of the CTM and consequently in a decrease of cooperation within the labor central.

Links between CTM-Affiliated Unions and PAN State Governments in the 1990s.

Before winning the national level elections in 2000, the PAN had gradually increased its presence in Mexican politics by winning elections at the state level throughout the 1990s. One example is the state of Guanajuato, which had a PAN governor starting in 1991. Relationships between CTM-affiliated unions and the PAN government in the state of Guanajuato were pragmatic, with a focus on public policy aspects such as housing programs—as opposed to capital-labor relations.

The main difference between the 1990s and the 2000s was that in the 1990s the PAN state governments perceived CTM as a block, and CTM unions in PAN-governed states would approach their respective state governments following the guidelines set by the national CTM. In the 2000s, there were more PAN state governments and the PAN was in power at the federal level as well, which gave the party the possibility to have a more defined approach toward CTM unions. The chosen approach translated into favoring particular groups within the CTM over others, which reinforced the decentralization within the CTM.

Links between CTM-Affiliated Unions and PRI State Governments in the 2000s. While the PRI lost the presidential elections of 2000, it continued in power at the state level in various Mexican states. In these cases, at the state level, the relationship between the CTM and the PRI perpetuated aspects of their relationship at the national level from the 1990s. In Sonora, the state level CTM branch had a close relationship with the PRI state and municipal governments in the 2000s. These subnational levels of government lent their support to the regional CTM

¹¹⁷ Gamero, José Ramírez. 2007. Interview by author. Mexico City, DF, Mexico, November 15.

organization primarily through the State of Sonora Secretary of Social Development and the Sonoran Social Participation Program.

In exchange, the state-level CTM started building a model of political mobilization based on creating grass-roots networks around social problems, with the goal of developing them into political and electoral networks. In 2006, at a congress of the state level CTM in Sonora, Pancho Bojorques, who had just been reelected as secretary general of the organization, presented a proposal for a territorial organization of the workers. The first-line goals of the project were to complement the support that the unions gave workers in the workplace relative to their wages and working conditions with a network of support in the workers' residential neighborhoods. In the communities, the CTM would offer workers assistance with housing, service provision, public safety, and education.

The project was launched in 2007 as the Neighborhood Workers' Network. The CTM-affiliated unions in Sonora used their membership records to identify where workers lived and to personally go there and invite the workers and their families to become affiliated with the network. The CTM held assemblies in neighborhoods across the state of Sonora and encouraged workers to organize and demand improved living conditions. The labor central acted as an intermediary between the workers and the state government, by centralizing workers' living demands and discussing them with municipal and state authorities. Consequently, the CTM facilitated pavement improvements and small repair works in schools attended by workers' children. Moreover, the CTM managed resources from the state government of Sonora to promote sports, public safety, addiction awareness, and address other community concerns.¹¹⁸ The ultimate goal of this network was to incentivize the workers to become politically active, become militants for the PRI, generate votes for the party, improve the profile of CTM leaders in local and state elections, and identify potentially successful candidates for political office that would represent the interests of the CTM.

In addition, the state of Sonora designed and implemented a tripartite economic development advisory body, where the state-level CTM, state level officials, and business representatives drafted policies intended to promote investment in Sonora. One of the main aspects discussed were the incentives that could be offered to potential investors. In addition to building the necessary infrastructure and offering tax subsidies to investors,¹¹⁹ one of the incentives that the state could offer was the promise of non-conflictual labor relations. To this end, in 2007, a decision was made by the Sonora state level CTM to stop using a common procedure implemented by unions in most states prior to the annual deadline for collective bargaining. This procedure was "emplazamiento a huelga," a legally registered notice of strike which would allow the union to organize a strike legally if a collective bargaining agreement was not reached with the company by the agreement negotiation deadline. In practice, in the vast majority of cases an "emplazamiento a huelga" did not result in an actual strike. Nevertheless, the Sonora state level CTM in coordination with the state government agreed to renounce this practice in order to further ensure potential investors of the extremely reduced likelihood of strikes in the state of Sonora.

¹¹⁸ Solís, Vicente. 2007. Interview by author. Hermosillo, Sonora, Mexico, December 18.

¹¹⁹ Solís, Vicente. 2007. Interview by author. Hermosillo, Sonora, Mexico, December 18.

As a result of the link between the CTM and the PRI at the state level, illustrated by the joint actions and mutually beneficial practices described above, cooperation within the CTM at the state level was high in these cases.

IV. The Dog that Never Barked: The Expected Association between Non-CTM Affiliated Unions and the PRD

Throughout the 1990s, unions that were not affiliated with the CTM were politically independent, not having an association with the party in power or with any other political party. The democratization of Mexican politics and the growing importance of PRI's competitor parties, the PAN and the PRD, led to expectations that non-CTM affiliated unions would associate with the PRD. However, the PRD never focused on organizing labor. Attempts at bringing the PRD and the non-CTM unions closer were undertaken primarily by labor scholars and labor lawyers. Labor law reform proposals drafted and edited by labor scholars included both the PRD and sectors of the labor movement not affiliated with the CTM. The preliminary labor reform proposal drafted by the PRD in 1998 was revised in 2002 to incorporate feedback from discussion forums where left, non-CTM affiliated labor organizations had been invited. Also in 2002, the UNT presented a proposal for labor reform based in part on initiatives from the PRD proposal (Barba García 2003: 42; Bensusán 2003: 69-70). However, in spite of these efforts, a strong association between the PRD and a labor central was not achieved.

The UNT, the main labor central outside of CTM for the auto workers' sector, continued without an affiliation with a political party in the 2000s. The UNT was founded in part by former CTM groups. One of the main reasons why these groups had left the CTM was because they no longer wanted to be affiliated with the PRI (Bensusán 2006: 16). Nevertheless, some of UNT's leaders maintained ties with the PRI. Of the labor central's three presidents, two—Francisco Hernández Juárez and Antonio Rosado García—continued to be members of the PRI. Hernández Juárez had also considered a personal association with the PAN. The third president, Agustín Rodríguez Fuentes, sympathized with the PRD. Other UNT leaders were elected deputies as candidates of the PRI, PRD, and even the PAN. José Luis Rodríguez Salazar, secretary general of SITIAVW until 2007, was elected to political office at the municipal level in Puebla as an independent candidate with the support of the PRI. Loose ties between the labor central and these political parties—primarily the PRD and the PRI—were evidenced, for example, by the presence of PRI and PRD representatives at UNT discussion forums on possibilities for involvement in public policy.¹²⁰ Nevertheless, the lack of a clear association with a political party of non-CTM affiliated unions resulted in a low level of cooperation within this sector of the labor movement, and within its main labor central, the UNT.

V. Non-Moderation of Union Strategies

One of the ways in which a left party in power associated with a labor central promotes cooperation between labor centrals is by generating moderation in the strategies of the further

¹²⁰ Rodríguez Salazar, José Luis. 2007. Interview by author. Puebla, Puebla, Mexico, October 17.

left labor central associated with the party in power. Mexico did not have a left party in power either in the 1990s or in the 2000s, and therefore there was no mechanism in place to facilitate the moderation of left unions. The limited moderation of left unions in Mexico explained in part both the small number of non-CTM affiliated unions in the automotive industry and the low level of cooperation between labor centrals throughout the two decades under study. The radical strategies of some of the independent unions that entered the Mexican labor scene in the 1960s and 1970s and the lack of moderation on the part of these unions accelerated the closing down of the factories whose workers they represented:

“The car assembly plants in the North have are receiving a lot more investment than those in the South. The ones in the South have had a tendency to disappear because they are not as productive. [...] the labor unions would have to realize they would either change and become productive to receive more investments, or they would die out. The plants would close down. And this is what happened with General Motors, they closed down factories. Chrysler also closed down factories, as did Nissan, in the South.”¹²¹

The unions that maintained their bases of representation, such as the Nissan union in Cuernavaca, isolated themselves from the other automotive unions, including, by the 2000s, from the non-CTM Volkswagen union in Puebla. The ideological distance and the differences in strategy between the Nissan union in Cuernavaca and the other unions representing workers at automotive plants in Mexico were significant enough to prevent collaboration. Moderation on the part of these unions would have brought them closer to the other automotive unions.

The Exception to the Non-Moderation Pattern. There was one exception to the non-CTM Mexican automotive unions’ pattern of non-moderation. This exception was SITIAVW. Given the CTM and PRI background of some of the UNT leadership, the UNT, although to the left of the CTM on the ideological spectrum, tended to be moderate in its strategies. In becoming affiliated with the UNT, the Volkswagen union moderated its strategies. As Volkswagen had only one plant in Mexico and the UNT had only one affiliate among Mexican automotive labor unions, the moderation of SITIAVW was not sufficient to promote cooperation between unions and between labor centrals.

Before affiliating with FESEBES and later with the UNT, SITIAVW had followed a model of full participatory democracy. The union frequently called for general assemblies of the plant workers, and all union decisions were made following a vote in these assemblies. On the basis of this model, workers always questioned directly internal union decisions. The direct participation model was becoming increasingly more complicated in a plant that already had more than 15,000 workers.

By the early 1990s, the company was pressuring the union to accept changes in the production system and agree to adopt Japanese production elements such as work teams. A conflict arose in the union between a more moderate group that was supporting these changes and a more radical group that did not want to accommodate the company’s requests. The more moderate group sought the support of FESEBES and was awarded representation rights in the factory. It was as a solution to this crisis that SITIAVW affiliated with FESEBES in 1992. FESEBES was one of the founders of the UNT in 1997, at which point SITIAVW became affiliated with the UNT.¹²²

¹²¹ Labor relations manager 1. 2007. Interview by author. São Bernardo do Campo, São Paulo, Brazil, July 5.

¹²² Marino Roche, Rafael. 2007. Interview by author. Mexico City, DF, Mexico, November 23.

The association with FESEBES and later with the UNT contributed to an immediate moderation of the union's practices:

*"When they were completely independent, they were more radical."*¹²³

SITIAVW agreed with the company's decision to lay off all its workers and re-hire them under new, less favorable conditions. A new collective bargaining agreement was signed and work teams were implemented, along with the introduction of worker training and performance of a plurality of tasks, causing an overhaul of the entire production system in the plant.¹²⁴ The new collective bargaining agreement also included modifications in some of the company's administrative practices, in a move towards increased flexibilization.¹²⁵ A decision was made to continue holding general assemblies with the workers but to reduce the number of union decisions made as a result of a general assembly vote. Within two months of intense negotiations at the Department of Labor, a plan was drafted whereby Volkswagen made an investment decision that guaranteed new products in the Puebla factory and orientated production towards exporting to the United States.¹²⁶ This investment decision that ensured the survival of the factory was influenced by the moderation and openness to flexibilization on behalf of the union:

*"Let's say that the decision whether to bring in a new product or not [...] is taken at the company's headquarters and several aspects come into play. One of the considerations in which the union can be involved [...] are issues of flexibilization. Therefore, insofar as the union can be flexible while abiding by the rules established in the collective bargaining agreement [...] this is how the union can influence the decision. Because, in order to bring products here, we need to have an adequate level of costs."*¹²⁷

SITIAVW continued to implement moderate strategies throughout the rest of the 1990s and the 2000s. By the 2000s, the union had accepted a version of the hour bank, which created flexibility in the employees' working schedules and reduced the amount of overtime that the company had to pay. As a result of the union's moderate practices, the Volkswagen plant in Puebla continued to strive, as opposed to most other old car assembly plants in Mexico that were downsized or closed. However, as the only old-plant non-CTM union that moderated, and due to its status as the only Volkswagen plant in Mexico, the moderation of SITIAVW did not result in an increase in cooperation with other automotive unions.

The lack of mechanisms for moderation of radical old-plant unions described above, together with the lack of an affiliation between the UNT and a political party, reduced opportunities for cooperation in the Mexican labor movement. The entrance into the political scene at the level of the national executive of a not-left party not associated with a labor central combined with the exit from power of a not-left party affiliated with a labor central generated a significant decrease in the level of cooperation in the Mexican labor movement in the 2000s, both within and between labor centrals. By contrast, the previous decade of the 1990s, characterized by the presence of a not-left party associated with a labor central in national government, provided the conditions necessary to incentivize cooperation within that labor central.

¹²³ Labor relations manager 2. 2007. Interview by author. Puebla, Puebla, Mexico, November 6.

¹²⁴ Rodríguez Salazar, José Luis. 2007. Interview by author. Puebla, Puebla, Mexico, October 17.

¹²⁵ Labor relations manager 2. 2007. Interview by author. Puebla, Puebla, Mexico, November 6.

¹²⁶ Marino Roche, Rafael. 2007. Interview by author. Mexico City, D.F., Mexico, November 23.

¹²⁷ Labor relations manager 2. 2007. Interview by author. Puebla, Puebla, Mexico, November 6.

Chapter 7

Conclusion

I. Union-Party Links: Summary

Three sets of hypotheses advanced in this study were tested using four cases: the auto workers' section of the labor movements in Brazil in the 1990s, in Brazil in the 2000s, in Mexico in the 1990s, and in Mexico in the 2000s. The first set of hypotheses stated that, if (a) the party in government is *not* of the left and (b) is associated with a labor central, this leads to greater cooperation within that labor central and low cooperation between labor centrals. No significant effect was expected on cooperation within labor centrals not associated with the governing party. The evidence presented in Chapters 5 and 6 showed that this set of hypotheses held true in the cases of Brazil and Mexico in the 1990s. In Brazil in the 1990s, the PRN, PMDB, and PSDB administrations were associated with FS. FS was created in the early 1990s as a dialogue partner to the PRN administration and, in spite of its heterogeneous political identity, was associated with each consecutive national government in the 1990s. As a result, the labor central acted as a cohesive entity, with low levels of internal conflict. Cooperation within CUT, the other dominant labor central in Brazil, was not significantly affected by the political parties in power in the 1990s and their association with FS.

In Mexico in the 1990s, the PRI was associated with the CTM. In comparison to the previous decades of PRI administrations and association with the CTM, the link between the party and the labor central, and therefore the cohesion inside the CTM, had already started to weaken. Nevertheless, the association between the PRI and the CTM and its positive effects on cooperation within the labor central continued to be significant during the 1990s, the last decade of the PRI in national government. Cooperation within other labor organizations was not directly impacted by the association of the not-left party in government with the CTM.

Furthermore, the association of the not-left parties in government with a labor central also influenced cooperation between labor centrals, which was low in both countries in the 1990s. This effect was more visible in Brazil, where CUT, the other dominant labor actor, was a central of similar dimensions and strength compared to FS, while in Mexico, CTM was the single dominant labor central.

The second set of hypotheses stated that, if (a) the party in government is of the left and (b) is associated with a labor central, this results in increased cooperation both within and between labor centrals. The evidence presented in Chapter 5 showed that this set of hypotheses held true in the case of Brazil in the 2000s. The PT, a left party that came to national government

in Brazil in the 2000s, was associated with CUT. As the PT had started to win elections first at the municipal and state levels in the late 1990s and eventually at the national level in the 2000s, the party moderated its ideology and practices, a phenomenon that was mirrored in the closely associated CUT. Moderation in its practices drew CUT closer to the more conservative FS. At the same time, the moderation of CUT ensured the preservation of the bases of representation of unions representing workers in the old plants situated in core industrial areas. These unions had a high level of interest in cooperating with unions representing workers in the new plants situated in the periphery, in order to level up wages and working conditions and diminish the risk of investment flight from the traditional industrial areas. In addition, a left party in power was expected to distribute resources to all labor centrals in an attempt to secure the political support of the entire labor movement. Through moderation and the mechanism of resource distribution to labor in exchange for political support, the PT in power in the 2000s increased cooperation within the core of CUT and between CUT and FS.

The third set of hypotheses stated that, if (a) the party in government is *not* of the left and (b) is *not* associated with a labor central, this leads to a decrease in cooperation both within and between labor centrals. The evidence presented in Chapter 6 showed that this set of hypotheses held true in the case of Mexico in the 2000s. The exit of the PRI from national government had already prompted a process of decentralization and decreasing cooperation within the CTM. This process was accelerated as the PAN came to power at the national level, due to the associations that the new governing party developed with selected CTM-affiliated unions. The decrease in cooperation within the CTM in the 2000s was evidenced primarily by the increase in conflicts of representation and failure of national union networks involving CTM-affiliated unions. At the same time, the lack of interest of the party in government to create links with unions outside the CTM as well as the lack of links between non-CTM unions and political parties led to a low level of cooperation between labor centrals.

II. Union-Party Links: Further Nuances

The strength of the association between a party and a labor central further defines the intensity of the effect that labor central-party links have on labor cooperation. The cases explored in this study have illustrated three types of association between a political party and a labor central. The first type is an association between a left, labor-based party and a labor central that were linked, as the name suggests, since their creation. This is the strongest type of association, as illustrated by the PT and CUT in Brazil. A political party that is associated with a labor central can facilitate collective action among factions within the labor movement. A left party like the PT in Brazil, that has an organic link with a labor central, can act as a broker of collective action for that central even when it is not in power at the federal level. The PT provided this role for CUT both in the 1990s, when the party was not in power at the federal level, and in the 2000s, when the party was in power at the federal level. This was possible because the link between the PT and CUT was based on shared ideology regardless of whether the party was in government, with added pragmatic reasons when the party was in government and able to distribute more resources to the labor central. However, a party, left or not-left, can only act as a broker of collective action involving more than one labor central when it is in power at the national level.

In the case of Brazil, the PT could only facilitate cooperation between CUT and FS in the 2000s, during its time in federal government.

The second type of association is that between a not-left labor-based party and a labor central that have also been linked since their creation. This is a weaker association than the first type, as it is based less on shared ideology and more on pragmatic reasons. This association has been illustrated by the PRI and the CTM in Mexico. As the PRI was in government when the CTM was created and continued in government through the end of the 1990s, the party was able to allocate significant political resources to the labor central. The continuity of pragmatic justifications ensured a strong link between the two organizations. However, once the PRI was ousted from power at the national level in 2000, the party's inability to continue distributing the same level of resources and the absence of a shared ideology undermined the relationship between the party and the labor central. As a result, cooperation within the CTM decreased in the 2000s.

The third type of association is that between a not-left, non-labor-based party, and a labor central. This association is the weakest of the three types, as it is only justified by pragmatic reasons. The labor central is not integrated into the party structures or otherwise affiliated with the party since its creation. This type of association has been illustrated by the parties in government in Brazil in the 1990s—PRN, PMDB, and PSDB—and FS. FS was founded in the early 1990s with the specific purpose of creating a labor organization more amiable to the economic goals of the PRN administration. However, FS was never integrated into the PRN and, while the labor central maintained an association based on pragmatic justifications with all three parties that were in government in Brazil in the 1990s, it was never officially affiliated with any of them. By the 2000s, the links between FS and the PRN, the PMDB, and the PSDB had weakened significantly, facilitating the openness of FS to the resources offered by the PT and thus contributing to the increased cooperation between FS and CUT in the 2000s.

III. Comparing Cases

Table 7.1 utilizes the matrix introduced in Chapters 5 and 6 to illustrate the interaction between the type of party in government and whether the party is associated with a labor central. While in Chapters 5 and 6 the cases of Mexico and Brazil were entered into the matrix and explored separately, Table 7.1 shows where both countries were situated over the two decades under study and thus facilitates a comparison across countries and time periods.

		Party in Government	
		<i>Not Left</i>	<i>Left</i>
Party in Government Associated with a Labor Central	<i>Yes</i>	Brazil 1990s  Mexico 1990s 	Brazil 2000s
	<i>No</i>	Mexico 2000s	

Table 7.1
Explanatory Factor Interaction and the Four Cases

Brazil in the 1990s and Mexico in the 1990s were cases of a not-left party in power associated with a labor central. The interaction of a not-left party in power and the party's association with a labor central rendered similar results in the two countries regarding cooperation within the labor central that was associated with the party in power: FS in Brazil and CTM in Mexico. At the same time, cooperation between labor centrals was expected to be low. That was the case in Brazil between FS and CUT, and in Mexico between CTM and independent unions or unions affiliated with other labor centrals. However, overall the level of cooperation in

the labor movement was higher in Mexico than in Brazil in the 1990s, because of the different structure of the two labor movements. While in Mexico CTM was the single dominant labor central, in Brazil FS and CUT were the two dominant labor organizations. Therefore, more cooperation within the CTM meant most unions in Mexico were involved in cooperative practices, while more cooperation within FS, but not between FS and CUT meant approximately half the unions in Brazil cooperated with each other, but either did not interact or were in conflict with the other half.

Moreover, from the 1990s to the 2000s the trend in the Brazilian labor movement was one of increasing cooperation—led by the increase in cooperation between FS and CUT—while in Mexico the trend was one of decreasing cooperation—led by the decrease in cooperation within the CTM. As these changes were gradual, towards the end of the 1990s the difference in the level of cooperation in the Brazilian and Mexican labor movements became larger, with a higher level of cooperation in Brazil and a lower level of cooperation in Mexico.

Brazil in the 1990s was a case where a labor central—CUT—was associated with a party—the PT—that was not in government at the national level, but had a presence in government subnationally. A similar situation occurred in Mexico in the 2000s, where a labor central—CTM—was associated with a party—the PRI—that was not in power at the national level, but had a presence in several state and municipal administrations. In the first case, the PT was achieving an increasingly significant presence in the political arena, starting to win political office first at the municipal level, then at the state level, and eventually, in the 2000s, at the federal level. The PRI, on the other hand, was declining in its reach in the electoral arena, going from a situation of power at the national level in the 1990s—with a history of 70 years in government—to losing the national elections in 2000 and only retaining some of its formerly run states and municipalities.

In general, the more governments a party forms—at the municipal, state, and national levels, in increasing order of importance—the more resources it has to distribute to the labor central with which it is associated. The party may appoint labor leaders to political office, may support a labor union in a conflict with another labor union or even with a business actor, and may implement policies that are favorable to the labor central with which it is associated.

As a result, the increasing power of the PT towards the end of the 1990s and especially in the 2000s relative to the previous period led to increasing cooperation within the associated labor central, CUT. In contrast, the decreasing power of the PRI led to decreasing cooperation within the associated labor central, CTM.

In addition, in the Brazilian case, an increasing presence in government at the subnational level for the PT in the 1990s initiated the mechanism of moderation of the party, followed by the moderation of CUT. Therefore, towards the end of the 1990s, CUT practices were already becoming more similar to FS practices. At the same time, the CUT-affiliated unions representing workers in the old plants from the core industrial areas started to become more involved in negotiations with the companies whose workers they represented. In some of these negotiations, the unions accepted adjustments that implied potentially less favorable conditions for the workers but a higher chance of continuation and possibly expansion of production at the old plants. In sum, by the end of the 1990s in Brazil some of the conditions that facilitated cooperation between CUT and FS were already being created. In Mexico, however, the PRI and its associated labor central, CTM, were further right than the other labor centrals. As the other

labor centrals such as the UNT were not associated with a political party¹²⁸ and the CTM had no reason to evolve towards the left of the political spectrum, there was no mechanism in place for the practices of different labor centrals to become more similar and thus increase cooperation between them.

In the 2000s, the difference between the two countries grew significantly. With the PT in power at the national level in Brazil and its organic link with the CUT, the moderation mechanism accelerated, creating favorable conditions for cooperation between FS and CUT. Moreover, the PT needed more than ever the support of the entire labor movement, especially in light of the political scandals that plagued the second part of the first PT administration.¹²⁹ The moderation mechanism and the mechanism of wide distribution of resources to labor in exchange for political support led to increasing cooperation between FS and CUT, as well as continued and sometimes increased cooperation within the core of each labor central. In sum, the level of cooperation in the Brazilian movement in the 2000s was high. By contrast, in Mexico in the 2000s the end of the PRI national administration and the inability of the party to continue distributing the same level of resources to its associated labor central, CTM, resulted in a loosening of the links between party and labor central. This phenomenon, coupled with the policy of the PAN—a not-left party in government not associated with a labor central—to support selected CTM unions, led to a process of decentralization and decreased cooperation within the labor central. In addition, the level of cooperation between labor centrals in Mexico was low in the 2000s. Therefore, the level of cooperation in the Mexican labor movement in the 2000s was low.

Table 7.2 incorporates all the parties that formed national governments in Brazil and Mexico in the 1990s and 2000s to illustrate how the interaction between party type—left or not-left—and whether the party was in power affected cooperation within and among labor centrals.

¹²⁸ In Brazil, CUT was always linked to the PT, a party with a strong presence even throughout the years that it was in the opposition. In Mexico, however, the non-CT unions never had clear political ties. In the aftermath of democratization, scholars and observers of Mexican labor politics expected the PRD, Mexico's left-wing party, to create a comprehensive labor agenda and forge strong relations with the "independent" unions. Some association exists between the PRD and the UNT—there was an attempt, driven primarily by labor scholars and lawyers, to associate the non-CT union movement with the PRD, including joint statements on labor reform. However, the PRD's expected labor-related actions have never materialized in any significant way. The PRD itself never had a cohesive labor policy, nor did the non-CT union movement ever clearly and cohesively identify with or reach to the PRD (Bensusán 2006: 253-279; Bouzas Ortiz 2003: 97-115).

¹²⁹ In May 2005 a corruption scandal broke out in Brazil, involving senior officers of the PT and of Lula's cabinet. Several of the ministers involved in this scandal were demitted, the party was damaged, the possibility of impeachment for Lula was discussed, and the chances for re-election in 2006 seemed dim. During the following seventeen months, the PT concentrated efforts on resolving the crisis and ensuring the party had a wide enough electoral base to guarantee re-election (Flynn 2005: 1221-1267).

PARTY	Left	Not Left
In government	PT 2000s (led to high cooperation within CUT and between CUT and FS)	PRN/PMDB/PSDB 1990s (led to high cooperation within FS) PRI 1990s (led to high cooperation within the CTM) PAN 2000s (led to decreased cooperation within and between labor centrals)
Not in government	PT 1990s (led to high cooperation within CUT)	PRN/PMDB/PSDB 2000s (no effects on cooperation) PRI 2000s (led to decreased cooperation within the CTM) PAN 1990s (no effects on cooperation)

Table 7.2
Parties that Formed National Governments in the Four Cases

The only left party that was in government in the 1990s or 2000s in one of the two countries was the PT. The party's organic link with CUT, based on both ideological and pragmatical justifications, led to a high level of cooperation within CUT both during the 1990s, when the PT was not in government at the national level, and during the two PT national administrations in the 2000s. In the 2000s, the PT in government led to an even higher level of cooperation within the core of CUT, in addition to an increasing level of cooperation between CUT and FS.

None of the not-left parties in government—the PRN, PMDB, and PSDB in the 1990s in Brazil, the PRI in the 1990s in Mexico, and the PAN in the 2000s in Mexico—had positive

effects on cooperation between labor centrals. However, they had different effects on cooperation within labor centrals. The PRN, PMDB, and PSDB in the 1990s in Brazil, and even more so the PRI in the 1990s in Mexico had a positive influence on the level of cooperation within the labor centrals associated with them. However, the lack of association of the PAN in Mexico in the 2000s with a labor central, enhanced by the PAN government's policy to support particular CTM-affiliated unions, led to a decrease in cooperation within the CTM.

When the PAN was not in government in Mexico in the 1990s, its lack of association with a labor central meant the party had no effect on cooperation in the labor movement. When the PRN, PMDB, and PSDB were not in government in Brazil in the 2000s, their prior association with FS weakened, as the relationship had been based primarily on pragmatic justifications and the parties were no longer able to attract the labor central with political benefits. Therefore, these parties, when out of power, had no significant effect on cooperation within the associated labor central. Moreover, as not-left, not in power-parties associated with a labor central, they acted more instrumentally and strategically to appeal to parts of the electorate, and consequently they did not appeal to left labor centrals such as CUT. Hence the three parties, when out of power, did not have any significant effect on cooperation within other labor centrals or between labor centrals. The PRI in Mexico, however, had a stronger association with the CTM, as a not-left labor-based party that had been in national government for more than 70 years. Therefore, when the PRI left power in the 2000s, it negatively influenced the level of cooperation within the labor central.

V. Alternative Explanations

While union-party links are the primary drivers, additional factors can influence the level of cooperation within and between labor centrals.

V.1. Attitude of the Companies Influencing Union Strategy Moderation

One of the factors that influence the degree of moderation of union strategies vis-à-vis business actors is the attitude of the companies in relation to the unions who represent their workers. A union that represents workers at more than one company may implement different strategies towards different companies within the same timeframe. This is more easily observed in Brazil, where, due to the monopoly of representation principle, it is more common for a union to represent more than one company. Vicentinho, a PT federal deputy in the 2000s, prominent leader of the ABC Metalworkers' Union in the 1970s, 1980s, and 1990s, and former president of CUT, described some of the differences among the multinational automotive corporations in São Bernardo do Campo whose workers his union represented:

*"For example, Volkswagen [...] had a very rough management [...]. The management of Mercedes was more open to dialogue [...]."*¹³⁰

As a result of the difference in company attitudes towards the ABC Metalworkers' Union, the union implemented different strategies towards the companies. For example, it organized more strikes at Volkswagen than it did at Mercedes. Luiz Marinho, another PT politician in the 2000s who had been at the head of the ABC Metalworkers' Union and CUT in the 1990s, presented the

¹³⁰ Da Silva, Vicente Vicentinho. 2007. Interview by author. São Paulo, São Paulo, Brazil, March 9.

moderation of CUT unions in the 2000s as partly driven by the higher willingness of the companies to negotiate with labor.¹³¹

At the same time, when holding constant business actors, different unions sometimes use different strategies vis-à-vis different plants of the same company in the same country at the same time. The five unions representing workers at the five Volkswagen plants in Brazil constitute an example of this phenomenon. Throughout the 1990s and 2000s, three of these unions identified with different factions of CUT, one with FS, and one had switched between FS and CUT until it became independent in the second half of the 2000s. The Volkswagen National Committee facilitated the convergence of strategies among the five unions. Nevertheless, some differences remained. For example, the Curitiba Metalworkers' Union did not accept the hour bank, an instrument of flexibilization that reduces overtime pay. However, the ABC Metalworkers' Union and the Taubaté Metalworkers' Union accepted this measure in the 2000s.

In Mexico, Ford workers had been represented in the 1990s by a national union, with a single national leadership and separate local leaderships for each one of the plants. By the 2000s, the national union dismantled, leading to the creation of two unions, one representing workers at the Ford plant in Hermosillo, and one representing Ford workers in Chihuahua and Cuautitlán. The strategies applied by the national union in the 1990s and by the two unions resulting from the split in the 2000s differed from plant to plant. The difference was generated by the distinct concerns of each one of the plants—the Ford plant in Cuautitlán experienced the biggest threat of close-down—as well as by internal conflicts within the local union leadership or between the local and national leadership at each one of the plants. The Ford plant in Chihuahua experienced the lowest level of internal conflict, which in turn led to less strikes and other forms of confrontation involving the company.

V.2. Economic Factors

The cross-country comparison was designed to exclude economic factors as key drivers of cooperation, as the economies of Brazil and Mexico are similar in size, composition, and evolution. The same applies to the automotive sector, which has a similar history and evolution in the two countries.

Nevertheless, economic factors have played a role in both countries, and there are some differences between Brazil and Mexico which warrant a brief exploration. In the 1990s, both countries experienced the implementation of a set of neoliberal policies. The effects of these processes weakened the unions and discouraged cooperation in both labor movements:

*“If before, during the 1980s, we were fighting to end the military dictatorship and to improve wages and working conditions [...], in the 1990s we spent the whole decade struggling not to achieve new, improved results, but to maintain what we had already achieved.”*¹³²

The effects were more visible in Brazil due to the alternation in national administrations, in contrast to Mexico, where the PRI was changing internally, but it was still the same party in power from the previous decades.

Brazil is the largest domestic market in Latin America—with a population of 170 million, compared to Mexico's 100 million—and a strategic location for exports to the Mercosur countries. Mexico, on the other hand, especially since the NAFTA treaty was implemented in

¹³¹ Marinho, Luiz. 2007. Interview by author. São Paulo, São Paulo, Brazil, July 13.

¹³² Da Silva, Vicente Vicentinho. 2007. Interview by author. São Paulo, São Paulo, Brazil, March 9.

1994, has been a very attractive platform for exports to the United States. As a result, the Mexican auto industry has been dominated by companies from the United States, while the Brazilian auto industry has received similar shares of investment from both United States and European companies. As explained below in section V.5., the country of origin of the company may impact relations among labor unions.

Mexico's dependence on the United States market makes the country more vulnerable to economic events in the United States. The 2001 recession in the United States had a strong negative effect on the Mexican economy. When the demand for auto products lowers in the United States, workers and unions in auto plants in Mexico can be affected by heightened competition among plants and consequently among unions for attracting scarce investments, less favorable working conditions, and lower wages. Brazil has more diversified exports and, while it is more vulnerable than Mexico to waves of financial instability throughout Latin America, it is not dependent on the economic situation of any single country (*The Economist* 2003).

In the second half of the 1990s, governments in both countries, in their attempts to attract foreign direct investment, encouraged new investments in the periphery and labor flexibility, including reductions in contractual protections of workers' rights (Cook 1995: 88).

Between 1998 and 1999, Brazil was the first country in the world among recipients of foreign direct investment. For the same time period Mexico had lower levels of foreign direct investment as it was still recovering from the 1994-1995 Tequila Crisis, which involved a rapid devaluation of the national currency and a collapse of the financial system, addressed by the government with a bail-out of the banks. Nevertheless, in the second half of the 1990s Mexico reported a larger average annual GDP growth rate than Brazil.

Between 2000 and 2003, Brazil was affected by the South American wave of financial instability and consequently experienced an economic slowdown and a decline in levels of foreign direct investment, while in Mexico they remained constant. In 2003, foreign direct investment declined in both Brazil and Mexico. By 2004, Mexico had come ahead of Brazil as a recipient of foreign direct investment. Nevertheless, since 2003, macroeconomic stability in Brazil improved steadily, with a record GDP growth of 6.1% in 2007. Mexico's GDP growth rate for the same year was 3.3%. By 2006, rates of foreign direct investment were comparable in the two countries—at approximately USD 19 billion—with Mexico slightly ahead of Brazil. In 2007, both countries experienced a large increase in foreign direct investment, to approximately USD 37 billion—with Brazil slightly ahead of Mexico (*CIA World Factbook* 2010).

V.3. Labor Institutions and the Legacy of Labor Incorporation

The legacy of labor incorporation and the accompanying labor institutions do not explain the different directions in which cooperation evolved in the two country cases. However, they do influence the absolute level of cooperation in a given country at a given time and explain the difference between Mexico and Brazil in the 1990s, when both countries were ruled by not-left parties associated with a labor central. In Mexico, the model of party incorporation of labor tied CTM-affiliated unions to the PRI. In Brazil, the model of state incorporation of labor did not impose ties between official unions and any particular party. These different union-party links led to different outcomes in the structure of the two labor movements.

In Brazil, the model of incorporation facilitated, in its aftermath, a political independization of some parts of the labor movement (Collier and Collier [1991] 2002: 511; 546-

555). By the early 1980s the independent sections of the Brazilian labor movement converged and created CUT. FS was created in the early 1990s as a legacy central to the old official union movement. As a result, the Brazilian labor movement became a dual labor movement, with a powerful left wing—represented by CUT—and a further right counterpart—represented by FS. CUT was an umbrella for the formerly-radical-now-moderate unions representing workers in the old plants from the traditional investment areas. The labor central empowered these unions and facilitated their cohesion-building-strategies.

Meanwhile, the Mexican labor movement continued to be dominated by the official union organizations represented by the CT and the CTM, which a much smaller, weaker, and less organized independent, left union movement. The radical Mexican unions representing workers in the old plants from the core industrial areas were outside the CT and became isolated and disempowered.

The structure of the Brazilian labor movement, which comprised, by law, sectoral federations and confederations, created additional conditions for cooperation than those provided by the Mexican institutional framework, which did not include this type of organizations. Federations and confederations in Brazil brought together unions from a sector of the economy at the state level and, respectively, at the national level. Consequently, they encouraged cooperation within a labor central. In the 1990s in Brazil, the creation of parallel federations and confederations temporarily augmented the divide between CUT and FS. However, once the parallel CUT-affiliated federations and confederations were officially recognized by FS and the Ministry of Labor in the 2000s, they became important drivers of the national collective bargaining project and therefore of cooperation between the two labor centrals.

The rules governing the types of unions that may be formed are another important institution derived from the legacy of labor incorporation. In Brazil, unions are organized per industrial sector and there may not be more than one union per industrial sector at the level of a municipality. There may be industrial sector unions at a higher level than a municipality—across several municipalities, at the state or at the national level. However, a union organized in that industrial sector at the municipal level will have legal precedence over the higher level union in terms of representation rights at any given workplace in that industrial sector within that municipality.

The implications of this law for Brazilian union dynamics were that, once new plants were opened in the new investment territories of the periphery, there was a period of intense dispute between labor centrals. As many of the new plants were opened in municipalities that did not have their own metalworkers' union, but rather a regional or state-level union, there was the option of creating a new, municipal-level union that could legally dispute representation rights at the new factory with the higher-level union already in place.

In Mexico, on the other hand, the law is much more flexible with regard to the type of unions that can be formed, both in terms of industrial sectors covered and of the geography of representation. The base of representation of the union is not a deciding factor in establishing precedence over other unions, as the monopoly of representation only exists at the plant level. In practice, a union requires state support to be able to maintain or gain representation rights over a particular plant. The higher level of uncertainty as to the strategies of potentially competing unions or labor centrals may create a climate that is less prone to union cooperation.

V.4. Leadership

Social movement scholars have studied how leaders influence the labor movement and how the movement influences leadership. Those who emphasized agency over structure gave importance to leadership as an explanatory factor, although leadership seldom appeared as the single independent variable in an explanatory framework (Aminzade et al. 2001: 126-154; Goldstone 2001: 139-187).

Wilson (1973) expanded on Weber's work to define a typology of leadership. The three main types of leaders identified by Wilson (1973) were charismatic, ideological, and pragmatic. The type of leader was assumed to influence how centralized the decision-making process was in an organization, and to what extent the organization was prone to conflict and fragmentation (Morris and Staggenborg 2004: 171-193).

In Mexico, the death of Fidel Velázquez in 1997 laid the basis for the process of decentralization within the CTM that was fully materialized once the PRI left power in 2001. In Brazil, many of the joint actions of the 2000s were promoted by Carlos Alberto Grana, the leader of CNM/CUT, the metalworkers' confederation affiliated with CUT, and by Eleno Bezerra, the leader of CNTM, the metalworkers' confederation affiliated with FS. Eleno Bezerra passed away in a tragic accident in 2008 and was replaced by Clementino Tomaz Vieira. Future research will show if this change in leadership has influenced cooperation between labor centrals.

V.5. Transnational Union Linkages

Transnational union linkages can facilitate cooperation, especially among unions within a company. In Brazil, the level of cooperation among unions representing workers at different factories of the same multinational automotive corporation is higher in the case of European companies. The most advanced national intra-company union network project in Brazil is that of the unions representing workers at Volkswagen plants, followed by the unions representing workers at Daimler plants. Both Volkswagen and Daimler have international union networks, a model which has inspired Brazilian unionists in their quest for creating and sustaining national networks. Moreover, through their international networks, as well as through the continuous support of the powerful and internationally-minded German metalworkers' union (IG Metall), Brazilian unionists obtain information and sometimes direct support in their interactions with representatives of the two German companies (Anner 2003: 603-604). In Mexico on the other hand, no European company has more than one plant and in general there is less of a presence of European multinational automotive corporations.

While these additional pieces of the puzzle are relevant to understanding levels of cooperation, the main element of the explanatory framework remains the type of party in government and its association with labor centrals.

VI. Significance and Implications

The labor movement in present-day Latin America continues to be a central actor within the broader associational networks of civil society (Sluyter-Beltrao 2003: 22). This study constitutes a building block towards a better understanding of the impact of political parties on labor and of labor on political parties. Union-party links are as relevant in today's world as they

were when labor was first incorporated in Latin American countries, although the nature of these links has changed, reflecting a new dynamics of centrist and leftist politics in the union movement.

Intra-labor cooperation is critical to the capacity of unions to improve the position of auto workers. It has often been argued that globalization¹³³ and the accompanying geographical relocations of production¹³⁴ have weakened the status of workers. But a highly cooperative labor movement can counteract such effects. For example, in Brazil, the union representing workers at the new Ford factory in Camaçari has been able to negotiate shorter week hours with the assistance of other unions. The union representing workers at the new Renault and Volkswagen and the old Volvo factories near Curitiba has been able to achieve both shorter work hours and higher salaries, narrowing the gap with the old plants from the São Paulo area. The union representing workers at the old Volkswagen plant in São Bernardo do Campo has been able to prevent a diversion of investment due to the support from other unions through the Volkswagen national union network.

Aggregated labor structures such as labor centrals and a high level of cooperation within these organizations are important as they award their members the ability to influence public policies and have their interests addressed. Labor centrals bring together various sectors of the economy. This breadth confers the labor centrals a high degree of representativeness. As a result, they have more influence in the mass-media and more leverage for pressuring the national government in the direction of a particular set of policies:

*“Labor centrals became important because they encompassed heterogeneous groups of various ideological factions and from different sectors of the economy, which conferred more bargaining power upon them [...]”*¹³⁵

In a context where they are linked to a party, and in particular a party in government, a labor central with a high level of cooperation, and more so a labor movement with a high level of cooperation can contribute to the improvement of labor market indicators at the national level. Brazil in the 2000s experienced an improvement in labor market indicators due in part to sustained requests and the political involvement of unions and labor centrals, which was related to the high level of cooperation (Rodrigues and Ramalho 2009: 14-24). For example, very important steps were taken towards achieving a national, government-mandated workweek of a maximum of 40 hours. In Mexico in the 2000s, the PAN in government, with very limited links to unions and in a context of low cooperation within the labor movement, followed a strategy of business interest groups meant to facilitate the restructuration of the old economic model based on import substitution. As part of this strategy, the cost of adaptation was imposed to the workers in the form of wage reductions and a deterioration of labor conditions (Bensusán 2006: 12-14).

As discussed in Chapter 2, the level of cooperation within a labor movement is related to labor law reform, an important facet of institutional reform. By mapping out critical trade-union dynamics in late-industrializing countries like Brazil and Mexico at a time of great transformation in the automotive industry, this study informs scholars of development. In addition, an understanding of the mechanisms that influence cooperation in a labor movement and of the processes and effects of links between unions and political parties contributes to the

¹³³ Together with flexibilization, technologically advanced production systems, and intense competition for investors among national and subnational state administrations.

¹³⁴ From more advanced industrial regions to less advanced regions – internationally, for example from the US to Mexico; or within the same country, for example within Mexico from the central region to the northern states.

¹³⁵ Dos Santos, Airton Gustavo. 2007. Interview by author. São Paulo, São Paulo, Brazil, March 5.

literature on representative democracy. Historically in Latin American countries, labor centrals characterized by a high level of cooperation have been able to mobilize millions of people who had not been politically active before. In Brazil in the 1980s, CUT had played the role of democracy builder along with other popular actors. In advanced industrial economies, cohesive labor organizations displaying a high level of cooperation have contributed to the maintenance of democratic systems (Sluyter-Beltrao 2003: 18-19). Finally, understanding the nature and implications of the links between labor organizations and governing parties should facilitate the analysis of the links between governing parties and other interest groups.

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