

## Adapting to Industry 4.0

### A new challenge for Brazil's autoworker unions

**Brazil's history has helped its trade unions to prepare for the challenges of digitalisation and the future of work.**

**By Mathilde Dorcadie<sup>1</sup>**

Trade unionism in Brazil shares a long, common history with the automotive industry, particularly in the so-called ABC region of Greater São Paulo, named after the towns of Santo André, São Bernardo do Campo and São Caetano, which together are home to hundreds of manufacturing plants. It was here, in 1983, that the *Central Única dos Trabalhadores* (Unified Workers' Central, or CUT) was born, now the country's largest and most powerful workers organisation with nearly eight million members and 3,960 affiliates. The ABC region is also the birthplace of the *Partido dos Trabalhadores* (Workers' Party, or PT); it is home to the *Sindicato dos Metalúrgicos do ABC* (the ABC Metalworkers' Union, or SMABC), one of the most important trade unions in Brazil with a history of leading some of the country's biggest strikes; and it was also here that the former Brazilian president Lula da Silva earned his stripes in his first role as union leader (as the president of SMABC). The ABC region remains a stronghold of Brazilian trade unionism, but with the global automotive manufacturing sector undergoing profound changes in recent years, it is also a region where the impact of digital transformation on organised labour deserves a closer look.

Ariella Silva Araujo, a social sciences PhD candidate at the University of Campinas, recently explored this topic in her research paper *Deploying Historical Strength to Shape the Future – SMABC and Industry 4.0 in the Brazilian automobile sector*. Contributing to Friedrich-Ebert-Stiftung's "Trade Unions in Transformation 4.0" project, it examines the role of trade unions in the current economic and political context of Brazil, which has seen over

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two decades of deindustrialisation, where the 2017 reform of the Labour Code (Law 13.467/2017) by the former government of Michel Temer weakened trade unions and collective bargaining by atomising the labour force, and where the political will to implement ambitious industrial projects that meet the challenges of the digital age is severely lacking. According to Araujo, Temer’s decision to freeze public spending for 20 years, which targeted education in particular, puts Brazil “at odds with the international movement to promote the education and training of the labour force as a catalyst in the race for competitiveness”.

Araujo says that trade unions can play an important role in helping the sector adjust to the current challenges as they have already demonstrated their ability to adapt and mobilise during previous periods of Brazil’s history, which transformed them beyond their traditional role as workers’ organisations and into actors for social and political change. In addition to the fight for workers’ rights, Brazil’s trade union movement has historically been strengthened by broader political struggles such as the ‘re-democratisation’ process that began in the early 1980s. During this period of political evolution, SMABC developed significant internal infrastructure allowing it to offer many resources for workers, including legal services, training for political organising and professional skills, and a studies and statistics department.



*Mercedes-Benz workers in São Bernardo do Campo hold a rally to demand job protection, following the general assembly of the metalworkers’ union, SMABC, on 17 August 2016. The sign reads: “Against Unemployment”. (Adonis Guerra/ SMABC)*

According to Araujo, because of the impact of the increasingly neoliberal policies of several governments during this period, as well as high inflation and mass job losses, the movement was forced to modernise its activities over the following decades. As a result, it learned to prioritise close negotiation with corporate management and governments, and to participate in multilateral discussions concerning investments and strategic planning with the primary goal of protecting jobs. During this period, SMABC also benefitted from international cooperation, particularly with the company unions of German automobile

manufacturers Volkswagen and Mercedes-Benz. Joint cooperation with their European trade union counterparts led, for example, to the enhancement of *Comitês Mundiais de Trabalhadores* (Global Worker Committees, or CMTs), which had existed since the 1950s and were one of the main tools used for collective bargaining inside multinationals, and would later inspire the creation of similar committees at the national level designed to coordinate between regional and national union leadership. In the 2000s, the trade union movement played once again a key role in the landmark, pro-worker, pro-poor policies instituted during the 'Lula Years' while the PT was in power: the introduction of a minimum wage over the rate of inflation, the rapid expansion of formal work, and improved social benefits in collective agreements, are just a few examples.

#### **Trade unionism 4.0**

Over the course of its history, SMABC accumulated considerable societal, associational and institutional power, and acquired resources and skills that Araujo believes can be used to develop 'trade unionism 4.0', a series of solutions to be implemented in response to the challenge of transitioning to a cutting-edge automotive sector in terms of both technology and quality employment.

Firstly, the report shows the way in which SMABC continues to mobilise effectively, despite the adversities currently facing the automotive sector in a context of deindustrialisation and the resultant job losses. For instance, she points to SMABC's participation in the joint development of a high-tech industrial plan (*Plano Industria 10+*). This ambitious proposal was made in 2018, and demanded concrete action from the government for a better quality of life, the reduction of inequalities, and the redistribution of resources in a way that will produce real economic and social development in Brazil over the next decade. It calls for an "innovative industrial sector" that re-establishes Brazil's previously high ranking for manufacturing output amongst industrialised nations. It presents the ways in which technological advancement could have a positive impact on the economy, jobs, and people's well-being while ensuring the protection of the environment. This example shows the ways in which the trade union movement is using its institutional power. We can also see that to strengthen the industrial sector as a whole, the creation of broad collectives (comprising unions, academics and other experts) called *Coletivo de Políticas Industriais* played an important contribution.

Along with these large-scale efforts, unions are also working locally and sectorially to ensure the future of jobs as well as the future of trade unions. Ever since the 2017 Labour Code reform, which turned the mandated fee every employee had to pay to finance trade unions into a voluntary contribution thus greatly weakening the labour movement, there has been an ongoing reorganisation of trade unions in the ABC region by macro-sector in order to increase the capacity for mobilisation. SMABC had been one of the few unions that successfully signed collective agreements in 2018-2019 aimed at countering the negative effects of the reforms. SMABC was able to do this because it still has significant power, but this power will not last long if the movement fails to make structural changes. Opening the union to new categories of workers – such as white-collar workers, outsourced workers, young workers and women – is an area in which there is much work to do. With the elimination of jobs leading to a drop-in union membership, the survival of trade unions will continue to be in question without a significant uptake of new members.

In addition, long-established transnational cooperation should be better utilised, according to the report. The CMTs are still there to ensure the valuable sharing of experiences and solutions for the future: for instance, the collaboration with Germany's IG Metall trade union in the development of a factory for ultra-connected Mercedes truck cabins was a successful example of an obsolete assembly line transformed into a high-tech assembly line thanks to an important investment obtained after collective bargaining and international negotiations, that saved jobs. There is still much work to be done and the challenges are significant but reflecting on experience and the continuous analysis of trends are the best tools for moving toward a just transition.

