

LABOR AND TRADE UNIONS IN THE FINANCIAL SECTOR: CHALLENGES AND PERSPECTIVES IN CONTEMPORARY BRAZIL

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Since the 1990s, the financialization process was nurtured by the increasing global liquidity and the fast expansion of private capital flows. The recent economic structural changes in the capitalist system expressed growing concentration, centralization and capital mobility with decisive impacts on investment decisions. Job market opportunities turned out to be decisively influenced by private decisions overwhelmed by short-term expectations. Besides, the search for efficiency in enterprise management involved new labor relations and dramatic impacts on social organization. This process has been overwhelmed by tensions among the results of the policies chosen, the promotion of citizenship and the achievement of the long-run needs of society. As a result, contradictions have emerged between the financial hypertrophy and the expectations of society relative to employment levels and income access. Nevertheless, the tensions observed in the new relations among the state, society and the markets have been overwhelmed by processes of homogenization and resistance in the labor markets.

On behalf of the impacts of financial deregulation on industrial society, there has been a reconfiguration of the relations among the employability set up, the social changes and the trade unions. In truth, the vulnerability of the social movements in the global order needs to be understood in a context of redefinition of the role of the state, capital and labor in the markets. In this framework, the future of the bank workers' union movement in Brazil offers an important window to analyze the representation and renewal challenges. The reason for the choice of this movement is due to the existence in Brazil of a bank workers' unionism of strong tradition that has been able to achieve successful strikes and presented active participation in national labor unionism. This paper states that the neo-liberal economic and social framework has stimulated individualization, threatened social cohesion and favored the fragmentation of interests inside the bank workers' unions. New challenges in organization trends and collective negotiations have characterized the bank workers' union resistance and renewal strategies to face the capital flexibilization agenda.

In Brazil, the contemporary transformations of historically consolidated labor categories, such as the bank workers, could express the impact of the current tensions on the labor movement. The financial sector started the 1990s with 800,000 jobs, while at the end of the decade this number was practically reduced by half. Between 1994 and 2007, the changing banking system redefined the labor conditions by means of the new

configuration of portfolio and investment strategies. The financial accumulation enhanced the advance of concentration, diversification and capital management strategies by means of the expansion of financial holdings in the framework of a more privatized and internationalized market structure. The significant modifications in the structure and dynamics of the banking system and the new labor relations restrained the rate of affiliation to the bank workers' unions in the last decade.

Considering the evolution of the banking system since the middle 1990s, the process of adjustment has involved: changes in the market structure and microeconomic strategies, flexibilization in labor relations, reduction in the number of workers and the redefinition of the bank workers' abilities and skills required. After the opening of the Brazilian banking sector to foreign capital in 1995, a growing process of mergers and acquisitions led to a more concentrated, privatized and internationalized market structure. In a broader perspective, the banking system, in its search for flexibility and mobility, has not only adopted short-term portfolio strategies but has also developed technological strategies to implement market and operational efficiency targets. In the period analyzed, the high level of profitability of the retail banking sector was due to cost reduction and revenues centered on asset management, credit and services. The cost reduction strategies have included the expansion of networks of distribution channels.

The recent Brazilian experience shows that the lower number of bank workers, the transformations in the profile of their labor category and in the characteristics of the labor contracts turned out to shape new labor relations in the financial system. The outsourcing trend has been combined with diversification strategies that involve the growth of other institutions rather than banks in the financial holdings that turned out to increase the number of workers in the financial sector who are not considered bank workers because they are not protected by the collective agreement of the bank workers' category. Although one million workers were employed in the financial system in 2005, less than 400,000 were bank workers. In the context of financial deregulation, almost half of workers in the financial sector do not belong to the bank workers' category. As a result, they are excluded from the bank workers' union representation that has more tradition of organization and capacity of collective negotiation. Beyond this heterogeneous labor framework, new challenges have emerged in the representation and organization trends.

The overall changes threaten the historical force and representation of the bank workers' movement in Brazil. The bargaining process has increasingly lost its universal dimension and the dynamics of the labor regulation has increasingly been conditioned by the logic of the accumulation process in the financial sector. These transformations have led to a growing unreliability in the maintenance of jobs and greater flexibility in remuneration standards. The nature of labor has been deeply transformed and the bank workers' category has been redefined on behalf of the new corporative demands that have enlarged the control and rhythm of the activities in the workplace. These changes have enhanced the introduction of new issues in the negotiation process, such as target programs, variable remuneration and longer working hours. The redefinition of the working and remuneration standards have provoked ruptures and challenges in collective negotiations. A trend

toward fragmentation has been observed in this social movement since the collective negotiations have weakened the universal scope of the bank workers' demands.

Though the bank workers' unionism could not overcome the forces that fostered the labor flexibilization process, it preserved itself as an institution by means of new forms of actions, organization and mobilization. In spite of the pressures, the bank workers' unions have resisted in order to preserve the national collective agreement and to maintain the labor union organization. Until 2006, the bank workers' unions have searched new forms of representation and participation in society in order to include particular issues defended by groups of interest - such as gender, race and culture and to diversify the services offered. More recently, some bank workers' unions have concentrated their struggle on the incorporation of the "non-bank" workers into new huge unions that result from the merger of different unions related to the financial sector. Nevertheless, until 2008, the results of this "merger" strategy have been restricted. It is undeniable that the recent process of adaptive resistance revealed the difficulties faced by the bank workers' unions to create new forms of organization and social cohesion in order to establish collective identities in a heterogeneous labor framework overwhelmed by the expansion of financial holdings.

Methodology

Paper structure: Section 1 will outline the changing structure of the Brazilian banking system since the universal bank toward the financial holdings in the period between 1988 and 2007. Section 2 will discuss the impacts of the concentration, diversification and capital management banking strategies on the bank workers' category. Section 3 will analyze the transformations of the bank workers' union movement and its agenda in the last decade. Finally, we will point discuss the challenges to new representation and organization strategies in a heterogeneous labor framework overwhelmed by the expansion of financial holdings.

Data: The main research sources will be: Brazilian Central Bank (BACEN), Brazilian Federation of Banks (FEBRABAN), Instituto Brasileiro de Geografia e Estatística (IBGE), Centro de Estudos Sindicais e de Economia do Trabalho (CESIT/UNICAMP), Departamento Intersindical de Estatística e Estudos Socioeconômicos (DIEESE), trade unions' websites and interviews.