

Closure of Brazil Ford plant to destroy up to 27,000 jobs

Miguel Andrade**14 March 2019**

The announced closure of the second-oldest Ford plant in Brazil, in the city of São Bernardo in the so-called ABC industrial belt surrounding São Paulo, is threatening up to 27,000 jobs across the auto production chain throughout the state.

The plant, previously hailed as a “model” for agreements allowing the same workforce to produce both the Fiesta small car model and Cargo-line trucks, currently employs 4,500 workers, of whom 1,500 are contract workers heavily concentrated on the production line. The plant’s products will be discontinued as Ford abandons the truck market altogether in South America.

The plant closure was announced on February 19 and reiterated on March 12, when the union gathered workers at the plant’s gate to announce that its meeting with Ford bosses in Detroit on February 7 had failed to change the decision. The company claims the move is justified by \$678 million in losses in the South American market and the excessive cost imposed by stricter environmental regulations in Brazil regarding greenhouse gas emissions, set to be implemented in the coming years.

The announcement comes against a backdrop of continued economic slump in Brazil, with a stagnant economy and a renewed increase in unemployment. At the end of 2018, the jobless rate stood at 12 percent, or 12.7 million workers. GDP growth was barely 1.1 percent in 2018.

The situation is particularly dire for industrial output, which remains 17 percent lower than its historic peak in 2011. Auto production remains at only 67 percent of its 2012 peak.

This abysmal economic situation has produced a 14 percent unemployment rate in São Paulo, the leading industrial state in the country, and an 18 percent rate in the ABC region, which has a population of over 2.5 million.

Predictably, the ABC Metalworkers Union’s reaction to Ford’s February 19 announcement was to declare a toothless strike consisting of sending workers home at the beginning of the daily shifts and visiting the offices of local, state and federal authorities in order to convince them to crawl to Ford with offers of increased subsidies. The tone of the reaction was summed up by São Bernardo’s mayor, Orlando Morando, who told the press on February 21 that he was “outraged” by the company’s decision, since he “never denied the company’s demands.” He similarly told the daily *Folha de S. Paulo* on the day of the announcement that Ford’s decision was “impossible to predict” after the city had renovated the highways leading to the plant and granted it further tax breaks. He then asked the *Folha* reporter, rhetorically: “Is this about taxes? What are the subsidies they need, what are their needs?”

In later interviews, both the mayor and the union’s president,

Wagner Santana, cited as an example for Ford the February 7 sellout deal at General Motors, in which the union agreed to a two-tier system and wage freezes, while the state government pledged a 25 percent break on sales tax in exchange for investments.

The deal was rammed through after GM threatened to close one of its Brazilian plants, even after guaranteeing investments in 2015 supposedly in exchange for the union’s agreement to halve the wages at the São José plant, 90 km northeast of São Paulo, the company’s second largest in the country.

The union bosses at Ford now promise that the union “will have a say” in the state government’s efforts to find a buyer for the plant—during the course of which the unions will work to corner workers into accepting firings, more subcontracting and even lower wages, even in the face of 7.5 billion reais (US\$ 2 billion)—in subsidies to Ford alone in the last five years.

In contrast to the cowardly reaction of the union bureaucrats, in 1990 a wildcat strike developed into the occupation of the plant and a 50-day stoppage against the erosion of wages under conditions of rising inflation.

The closure of the Ford plant exposes the lie that endless concessions—through which workers are being reduced to poverty conditions in the most advanced industrial region in South America—can stop plant closures. But it also exposes the transformation of the unions internationally, under conditions of globalized capitalist production, from securing limited concessions from their own bourgeoisies, into instruments for enforcing labor discipline and extracting ever greater concessions from the workers to increase corporate profit.

The closure has also laid bare the parallel process that has characterized the Workers Party (PT), which was established in the wake of massive strikes in the late 1970s, including at Ford, which brought down the country’s 21-year, US-backed military dictatorship.

Opened as the third Ford plant in Brazil in 1967, three years after the 1964 military coup that toppled the bourgeois-nationalist government of President João Goulart of the Brazilian Labor Party, the plant was part of a massive expansion of industry around São Paulo. This expansion would see the city overtake Rio de Janeiro as Brazil’s largest, amid the immigration of millions of northern workers, who were fleeing poverty and military and paramilitary violence against farmers.

By the late 1970s São Paulo comprised the largest concentration of workers in South America and by far the largest in the newly urban Brazil. The city also became the decisive political force in the country. The influence built up by the union bureaucracy, led by the former metalworkers union leader and first PT president Luiz Inacio Lula da

Silva, was channeled into the PT. This served as the party's main asset in presenting itself to the Brazilian bourgeoisie as the most capable force to stabilize social relations under a capitalist system that had created the most extreme inequality in the world.

With the onset of the slump in industrial production in 2013-2014 and the sharp rise in unemployment in what would become the greatest economic crisis in the country's history, the ABC region also saw the beginning of the abandonment of the PT by the Brazilian working class. The leading industrial regions in the country, ABC among them, saw a sharp fall in the margin of votes for the party in the 2014 presidential elections, until finally every single PT mayor in the region was voted out in 2016. The fascistic demagogue and ex-army captain Jair Bolsonaro won the region by a wide margin in the 2018 presidential election.

Benefiting from the rejection of the PT, Bolsonaro owed whatever minor popularity he garnered, which is now in free fall, by posing as an opponent of the "pension reform" initially proposed by the PT—which he now endorses while the PT feigns opposition—and being fraudulently portrayed by the press as opposing the PT's neoliberal policies and privatizations.

To the extent that the unions made economic nationalism and corporatism their stock-in-trade, Bolsonaro was able to strike a populist tone by claiming "China was buying Brazil." The last stroke came when he demagogically supported the hugely popular May 2018 truckers' strike, while the PT-controlled unions portrayed it as a right-wing maneuver, isolating the most concentrated sections of the working class from the strike even as auto production was being brought to a standstill for lack of supplies.

The reaction of the unions has exposed that they will deepen their collaboration not only with the companies, but also with the far-right Brazilian government, to which the union bosses cowardly apologized in November after campaigning for PT's Fernando Haddad as the head of an "anti-fascist" front.

At a time when the common interests of the international working class are starkly and rapidly expressed by cross-border solidarity in demonstrations and strikes—most prominently on the US-Mexico border, and now between French and Algerian workers—the unions refuse to coordinate a struggle between workers at Ford and GM in Brazil, just five kilometers apart. On the contrary, they are pitting workers against those in other states, painting in rosy colors work relations at the impoverished ABC, where contract-hires are paid barely above the minimum wage, saying that Ford is keeping other Brazilian plants open because "ABC workers are too well-paid."

They make every effort to subordinate workers to one or another fraction of the bourgeoisie, under the guise of "exploiting the government's contradictions," in the words of the foremost pseudo-left PT apologists, the Workers' Cause Party (PCO), or of "potentializing" the conflicts between Bolsonaro and his coupmongering vice president, Gen. Hamilton Mourão—as proposed by the PT propagandist Gustavo Conde, who reacted with anger to criticism by his readers that the PT was "flirting" politically with Mourão.

Meanwhile, the PT circulated a "message from prison" from Lula to Ford workers, telling them to "put pressure on the government to ban Ford imports"—that is, responding to the downsizing of the company by pitting Brazilian workers against their international class brothers facing the same threats. Two days later, the union chose to meet Vice President General Mourão, instead of Bolsonaro, to discuss mounting such "pressure," telling the press at the end of the meeting that he was "sensitive and committed to taking the issue to Bolsonaro."

Meeting workers after his return from Detroit, appearing side-by-side with the PT's president, Gleisi Hoffmann, the ABC Metalworkers Union president, Wagner Santana, pledged that he would insist, at Hoffmann's suggestion, that Bolsonaro take the issue to Trump—mimicking the pledge made by the US unions and the Democratic party that they would "work with Trump to generate jobs."

A last word must be said about the reactionary upper-middle class pseudo-left organizations surrounding the PT and feigning horror at Brazil's far-right government. All of them blame the working class for the rise of Bolsonaro, portraying workers who rejected the PT as greedy and bigoted evangelical zealots.

This took a particularly virulent form in relation to the Ford closure, with the promotion among these layers of the story that Workers Party presidential candidate Fernando Haddad was booed by workers when he campaigned at the plant. The story went viral on social media, with supposedly "left" middle-class layers sharing comments that workers at Ford "deserved" being thrown onto the unemployment lines because of their "stupidity" in voting for Bolsonaro and being hostile to the right-wing, neoliberal Haddad.

Haddad has denied that he was booed by the Ford workers while campaigning in 2018, and the *Piauí* magazine also investigated the story and found it untrue.

Nonetheless, such comments flooded pro-PT Facebook pages and Twitter accounts such as those of "Mídia Ninja," "Jornalistas Livres" and former presidential candidate for the pseudo-left Socialism and Liberty Party (PSOL), Guilherme Boulos.

Exposing how embedded this conception is within the PT's closest defenders, one of the propagators of the false claim about the Ford workers was the former priest Leonardo Boff, known internationally as one of the "left" proponents of liberation theology and one of the most read pro-PT authors in Brazil. He is also described as Lula's "religious counselor" in prison.

Boff re-tweeted the false claim that the workers "did not allow Haddad to speak at Ford during the campaign" and that they chanted "mito, mito" ("the legend," the term used to describe Bolsonaro by his supporters). The fact that this never happened did not stop Boff from continuing: "Now Ford has announced that it is going to shut down. More than 20,000 workers will be affected. If they point their hands like guns (Bolsonaro's vile campaign gesture) shouting 'legend' will the jobs come back?"

Nothing could more clearly expose the profound class hostility of the upper-middle class base of the PT toward the Brazilian working class. The struggle in defense of jobs and living standards and against the threat of dictatorship can be waged only through a complete break with this reactionary bourgeois party and all of its pseudo-left satellites.



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