

# Brazilian aircraft manufacturer Embraer slashes 2,500 jobs

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Last Thursday, the aircraft manufacturer Embraer announced the dismissal of 2,500 workers in Brazil, including 900 direct layoffs and another 1,600 through voluntary dismissal programs. The workers in São José dos Campos, the main center of the company in Brazil, went on strike the same day.

The cut corresponds to 12.5 percent of the 20,000 workers employed by Embraer globally. In Brazil, where the transnational corporation is headquartered, it employs 16,000.

The attack on Brazilian workers is part of an international wave of mass layoffs that has had a profound impact on the aviation sector. Other large companies in the industry have made massive job cuts in proportions similar to those carried out by Embraer.

The US-based Boeing, which in May of this year canceled a deal to buy a substantial part of Embraer, announced in April plans to cut 10 percent of its approximately 160,000 employees, mostly in the United States. In recent weeks, it has stated that the layoffs will be larger than previously announced. Airbus announced a restructuring plan involving the slashing of 15,000 jobs globally, 5,000 of them in France, 5,100 in Germany, and 1,700 in the UK.

Massive layoffs are also being prepared by the airlines. American Airlines, the largest company in the industry, has announced that it will lay off “at least” 40,000 workers, more than half of whom have already entered buyout programs. Lufthansa, based in Germany, announced the slashing of 22,000 jobs. In Brazil, Latam workers recently protested against some 3,000 layoffs.

The companies were impacted by the air travel stoppage as a result of the COVID-19 pandemic. The International Air Transport Association (IATA), in a report released in June, estimated an \$84 billion loss to the global air transport industry by 2020, declaring it the “worst year in aviation history.”

In its official statement on the layoffs, Embraer claims to have had, in the first half of 2020, a 75 percent decrease in its delivery of aircrafts and a 2.95 billion reais (about US\$560 million) loss, which it attributes in part to the failure of its negotiations with Boeing. It cited a “lack of expectation of the recovery of the air transport sector in the short and medium term.”

The jobs massacre being carried out globally against the working class stands in stark contrast to the multi-billion-dollar state rescue packages for these companies, guaranteeing the income of a parasitic financial oligarchy.

In the US alone, the CARES act has allocated US\$50 billion to the airline industry. In France, €15 billion was directed to the

rescue of Air France and Airbus. In Brazil, Embraer received a R\$3 billion (about US\$570 million) loan from a consortium of banks coordinated by the National Bank for Economic Development (BNDES).

Capitalist interests are being guaranteed internationally not only by bourgeois governments, but by corporatist trade unions that play a central role in pushing through the mass layoff plans.

In France, the union led by the Workers Force (FO) has supported the job cuts at Airbus by opposing only “forced layoffs,” demanding that they be carried out through buyout plans. Above all, it demanded the funneling of state resources to the company, arguing that it has a better chance of recovering than its competitors, particularly Boeing.

The same essential line is being promoted by the São José dos Campos Metalworkers Union (SMSJC) in response of the layoffs at Embraer. The SMSJC has been controlled for decades by the Morenoites of the Unified Socialist Workers Party (PSTU), which has presided over a protracted decline in the conditions faced by the workers it purports to represent, which, besides at Embraer, includes General Motors and other large companies.

While promoting a strike to relieve the pressure from Embraer workers’ anger, the PSTU union is preparing the ground to accept the layoffs. The union leader at Embraer, Herbert Claros, criticized the company for not having previously negotiated the layoffs with the union, comparing it to a car sale, in which “you don’t impose your price.”

Claros stated: “Embraer workers know that in the last three negotiations on the buyouts the company has forced through and presented only its own proposals. The union tried to implement at least one clause: to guarantee the stability of those who didn’t adhere to the buyouts. ... Don’t we make deals with other companies? The main example is General Motors, where the union recently reached an agreement on layoffs, on buyouts.”

Giving a pseudo-radical cover to this corporatist policy and trying to divert a confrontation of the workers against the profit interests of the company, the union focuses its fire on the alleged incompetence of the Embraer management. The main slogan advanced by the PSTU is the “re-nationalization” of the company.

Behind this slogan—which has nothing to do with socialism—the PSTU seeks to subordinate the working class to the nationalist bourgeoisie and the Brazilian military. Shortly after the failure of the negotiations with Boeing, the Morenoites launched a chauvinist manifesto under the headline “An Embraer for

Brazilians. Re-nationalize, now.”

The manifesto states that Embraer “carries the pride of being an accomplishment of Brazilian effort and competence ... the accumulation of five decades of heavy investments, which allowed Brazil to figure among the select group of nations that have the capacity to develop airplanes.”

This is an open defense of the Brazilian military dictatorship. Embraer was created by the Brazilian Air Force in 1969, at the height of the regime’s reign of terror. The fact that it was driven by the Brazilian state, which owned 51 percent of its shares and controlled its management, doesn’t change the fact that it was completely oriented to capitalist profit and the reactionary interests of the Brazilian bourgeoisie, subordinated to US imperialism.

The manifesto attacked the attempt to sell Embraer to Boeing as a deal that “would mainly benefit the American company ... to the detriment of the strategic interests of the Brazilian nation.” And it insisted that “Defending its re-nationalization, now, is the duty of the Brazilians who dream and fight for a sovereign country aware of its power.”

Based on this ultra-nationalist policy, they gathered support from a wide range of bourgeois politicians and trade unions. This alliance was celebrated at an event attended by the main leaders of the Workers Party (PT), the Maoist Communist Party of Brazil (PCdoB), and the Democratic Labor Party (PDT).

In this sordid event, the PSTU made it clear that the “strategic interests of the Brazilian nation” they defend have nothing in common with the interests of the working class; rather, they are based on their intense exploitation.

Defending the company’s competitiveness in the global market, the PSTU’s economics specialist, Gustavo Machado, declared: “This supposed crisis that Embraer is going through has nothing to do with its performance. The company has a net worth that is far superior to its competitors Airbus, Boeing, Bombardier. It has a profit rate that is superior to the profit rate in the market.”

The profitability of the company praised by the PSTU is the product of a series of layoffs, wage cuts and an intensification of the exploitation of workers that resulted from the company’s privatization process in 1994. Although they now attack the privatization process as a blow against the “national interests,” the Morenoites extol the results of its destructive effects upon workers.

The PSTU argues that to compete with its global rivals, Embraer needs substantial financing from the Brazilian state, “Especially in the face of the crisis that we are experiencing today with the paralysis of much of the commercial aviation sector and competitors that are emerging with very strong input from the state,” said Machado. He pointed out that Boeing has an important part of its revenue linked to “partnerships with the U.S. government, especially in defense and security.” The suggestion, clearly, is that Embraer should enjoy similar “partnerships.”

This appeal to the military is by no means hidden by the PSTU. Its event was closed with a call to those in the Brazilian military, especially the Air Force, who defend “national sovereignty” and believe in the “Embraer project.”

This call is aligned with the growing demands of the military in the government of Brazil’s fascistic President Jair Bolsonaro for

greater funding. Recently, the Defense Ministry demanded a 37 percent increase in the military budget “to fund projects considered a priority, such as the purchase of fighter jets, rocket launchers and nuclear propulsion submarines.”

The National Defense Policy (NDP) and the National Defense Strategy (END), published this year, present the demand for an increase in military funds alongside the forecast of a world scenario marked by “rivalry among states.” This is a clear response by the Brazilian ruling class to the escalation of international geopolitical tensions, strongly driven by Washington’s strategic policy based upon “competition between major powers.”

Growing US intervention in Latin America has dragged Brazil into an increasingly direct military role in the region. On his last trip to the US in March, Bolsonaro signed a military agreement to boost the sale of Brazilian weapons to the Pentagon. The discussions involving the agreement were fully connected to Brazil’s support for US-led regime change operations in Venezuela.

The attempt by the PSTU union to subject workers to the interests of the Brazilian state and its military has an absolutely reactionary character. This policy does not represent the defense of workers’ jobs or conditions, but rather demands ever greater sacrifices in the name of capitalist profit.

Embraer workers must join with their comrades around the world to defend their jobs and living conditions, promoting a relentless struggle against the capitalist oligarchy controlling the transnational corporations. Their billionaire wealth must be expropriated and redirected to attend to social needs, first and foremost the fight against the COVID-19 pandemic, while guaranteeing wages for all workers.

The study of the International Committee of the Fourth International’s protracted struggle against revisionism, and the building of revolutionary parties in Brazil and throughout Latin America based on this experience, are essential to defeat the attempts to betray the working class and lead it to victory.



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