

Unions sabotage struggle against 3,600 layoffs at Mercedes in Brazil

Eduardo Parati
20 September 2022

On September 6, the announcement by Mercedes-Benz of 3,600 layoffs at its plant in São Bernardo do Campo, in the ABC industrial region of São Paulo, provoked enormous opposition from workers. The company announced that 2,200 permanent employees would be laid off and another 1,400 temporary workers would not have their contracts renewed.

Employing about 9,000 workers, 6,000 of them in production, the São Bernardo plant is Mercedes' largest plant outside Germany. According to data from the Inter-Union Department of Statistics and Socio-Economic Studies (DIEESE), the dismissal of the 3,600 employees will have an indirect impact on another 18,000 jobs.

Facing the workers' opposition, the Metalworkers Union of ABC (SMABC), affiliated to the Workers Party (PT)-controlled CUT, was forced to announce a three-day strike at the plant. In this period, the union called no joint action of the ABC autoworkers, much less a general strike to reverse all the layoffs. By Monday, everyone had returned to work while the union continued to meet with Mercedes-Benz behind the workers' backs.

During an assembly at the plant gate on September 8, two days after the layoffs were announced, SMABC president Moisés Selérges indicated his readiness to assist the company with the cuts. Selérges said that "many times, in a negotiation process, not everything the union wants will prevail, but neither will everything the company wants."

SMABC executive director Aroaldo da Silva admitted to the Mercedes workers that the union leadership already knew about and was participating in cost-cutting discussions with the company. Silva declared to the crowd of workers: "We have been dialoguing about these issues. Mercedes management began to present a scenario in which the company has not been earning the expected profit. The company's headquarter had to make an investment in Brazil, and, according to them, it was

necessary to start discussing about the São Bernardo plant to prevent the worst from happening." Silva said that the need for "restructuring" areas, lack of parts and semiconductors have been discussed by the union with the plant management "for some time now."

Silva's statements that one must accept the massive layoffs or face "the worst" show that, far from acting against the layoffs, the union is discussing with the company the best way to suppress opposition inside the factory.

Contrary to the lying statements of Mercedes and the union bureaucrats, the auto industry has posted huge profits. In the second quarter of the year, the Mercedes-Benz group posted a profit of 3.11 billion euros, or R\$16.4 billion.

The true class character of these trade union organizations, which call themselves defenders of the workers, was exposed in the last few days with the organization of a series of meetings to promote their "Industry Plan 10+."

Since August, IndustriALL-Brazil, a merged union created by the CUT and Força Sindical, has been presenting its plan for Brazil's industry in a series of meetings with businessmen and union members. In addition, the project aims to be integrated into the program of a future PT government. IndustriALL's president, the same Aroaldo da Silva from SMABC, held a meeting at the end of last month with the union federations and Geraldo Alckmin, the vice-presidential running mate of the PT's candidate, former president Luís Inácio Lula da Silva.

The Plan's document constitutes a call for the construction of a corporatist apparatus to suppress working class struggles based on a defense of "national development."

The Plan calls for the creation of "multipartite" organizations, bodies supposedly controlled by

government, business, and labor. According to the plan, these organizations would prevent excesses by larger companies, arbitrate labor disputes, and encourage the development of key sectors, including the defense industry. The document points out that “this space [the multipartite Sector Competitiveness Councils] cannot promote specific debates that benefit one company or another; it must be aligned with the objectives of the ‘Industry 10+ Plan.’”

In the section “Environment to promote industry,” the document points out among the policies “for a reindustrialization strategy” that “foreign policy should be guided towards a sovereign insertion of Brazil in the new industrial paradigm.”

The true meaning of the “insertion of Brazil in the new industrial paradigm” promoted by the unions and Lula is the imposition of ever-increasing cuts in wages and jobs in the name of the “national development” of Brazilian capitalism.

In recent years, several auto companies have cut thousands of jobs. After more than one hundred years of operations in the country, Ford closed all of its plants in Brazil by 2021. This year, SMABC helped Toyota close down in ABC, and the Metalworkers Union of São José dos Campos and Region affiliated to CSP-Conlutas, led by the Morenoite PSTU, did the same in relation to the closing of the Caoa-Chery plant in Jacareí.

The layoffs at the Mercedes plant in ABC occur in the context of a huge social crisis. After two and a half years of the COVID-19 pandemic, which followed more than five years of job and wage cuts, and an inflation not seen in decades, massive working class strikes and demonstrations are the order of the day. As the auto industry goes through a global restructuring, with plans to fully transition to electric vehicle production by the next decade, the unions are looking to prove their ability to suppress working class struggles and defend the interests of the bourgeoisie.

In Spain, the Workers Committees (CCOO), linked to the pseudo-left Socialist Party (PSOE)-Podemos government, and the General Union of Workers of Spain (UGT) worked to suppress a strike at the Mercedes-Benz plant in Vitoria, in the Basque Country in northern Spain.

In June, the factory with 5,000 workers remained on strike for nine days. With 95 percent approval for the strike, the workers defied the union, which had declared only three days on strike. The workers’ anger reached its boiling point after the company announced that it would approve wage increases of less than 2 percent a year,

while inflation has already risen to over 10 percent. Mercedes was able to impose the cuts only after the union announced as a victory the company’s withdrawing from the introduction of a sixth night shift. During the strike, workers protested by shouting, “The UGT and CCOO, sold out!”

To secure their jobs and a decent standard of living, workers at Mercedes and throughout the auto industry need to create rank-and-file committees, democratically controlled by the workers themselves, to discuss contracts and the conditions faced in the auto industry, and adopt resolutions independent of the union apparatus, which always works to impose worker concessions demanded by management.

Under conditions where unions keep workers from different companies and even within the same plant isolated, the committees will break down the artificial divisions between tiers and unify auto workers across the industry. Critically, in order to confront the huge transnational corporations, these committees will fight to unify workers’ struggles internationally.

The International Workers Alliance of Rank-and-File Committees (IWA-RFC) is making huge advances in developing this program. In the United States, the Mack Trucks rank-and-file worker, Will Lehman, is running for the presidency of the UAW on a program of abolishing the union bureaucracy, returning power to rank-and-file workers, and unifying the struggle of the working class internationally.

The corrupt UAW bureaucracy is directly associated with the CUT and Força Sindical, collaborating to impose defeats on workers in the US, Brazil and around the world. The destruction of this parasitic bureaucracy is a joint task for the international working class.

We call on Mercedes workers who agree with the IWA-RFC perspective and who wish to express their support for Lehman’s campaign to contact the World Socialist Web Site.



To contact the WSWS and the
Socialist Equality Party visit:
wsws.org/contact