

# Lula appoints former union bureaucrat as Brazil's new labor minister

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Brazil's president-elect, Luiz Inácio Lula da Silva (Workers Party - PT), has announced several of his government's ministers over the past two weeks. His inauguration is scheduled for January 1, 2023. Contrary to Lula's claims during the election campaign that his government will "rebuild" Brazil after four years of attacks by fascist president Jair Bolsonaro, the recent appointments point in the opposite direction.

As part of the unprecedented official support of Brazil's largest union federations for Lula's candidacy in the 2022 election — which brought together the PT-controlled CUT and its former rival Força Sindical, created in 1991 to defend the neoliberal policies of attacks on workers to "modernize" labor relations — they proposed on December 16 that Luiz Marinho be installed as labor minister. Lula confirmed him in the position last Thursday, December 22.

A federal deputy elected by the PT in 2022, Marinho was a metalworker in São Bernardo do Campo, a city in the critical ABC industrial region of São Paulo, in the 1970s. He helped found the PT in 1980 and made a union career in the SMABC metalworkers' union throughout the 1980s. After being elected vice-president of the SMABC in 1993, he headed the union between 1994 and 2003, when he became president of the CUT. In 2005, Marinho left the presidency of the CUT to become labor minister in Lula's government (2003-2010), a position he will occupy again next year.

In their joint statement proposing Marinho as labor minister, the union federations declared that he "has full harmony with the Brazilian union movement and *broad dialogue with the business sector*, great ability to deal with conflicts, and high capacity to conduct complex negotiations" (emphasis added). They also advocated "strong and representative union organizations" to "enhance collective bargaining."

There is a lot at stake for the trade union federations and the Lula government behind the appointment of Luiz Marinho as labor minister. After the Bolsonaro government abolished the labor ministry, whose functions came under the control of the economy ministry, one of the main corporatist demands of the union federations to Lula was the "recreation and strengthening" of the labor ministry, which they claim can counter the government's economic austerity policy. They also defended a policy of raising the minimum wage, as Marinho himself implemented in 2007 when he was labor minister.

One of the most debated points by the union federations throughout this year was the harsh 2017 labor "reform" of the

government of Michel Temer, who succeeded PT president Dilma Rousseff after she was ousted in a fraudulent impeachment process in 2016. In addition to "flexibilizing" labor relations to supposedly increase employment, which never occurred, it ended the compulsory payroll tax collected by the government and given to the unions. This decimated the cash flow for the unions, which fell from 2.2 billion reais (US\$ 420 million) in 2017 to 21.5 million reais (US\$ 4.1 million) in 2021. To counter this severe drop in their revenues, the union federations propose a "negotiation fee" to be paid by all workers after collective bargaining agreements are signed.

Throughout this year, the union federations and Lula himself have performed political contortions, initially defending the need to repeal the labor reform, and lately only supporting the revision of some measures, such as intermittent work and negotiations between employers and employees without the participation of unions. They also advocate the labor regulation of app workers. Miguel Torres, president of Força Sindical, justified not demanding the reform's repeal nor the restoration of the union tax by saying that they "hinder the creation of a favorable context for the construction of a tripartite negotiation between workers, employers, and government."

The possibility that a revision of the 2017 labor reform could bring some relief to Brazilian workers amid a desperate economic and social scenario is nil. This is clear not only from the union federations' intention to negotiate workers' rights with employers, but from the fact that it was "inspired" by the labor "reform" of the Spanish government of the Socialist Party (PSOE)-Podemos coalition, which has maintained close relations with Lula and Brazilian union leaders since the end of last year.

The Spanish government and unions got minor concessions from employers, such as limits on temporary contracts and an end to intermittent work, in a tripartite negotiation. The European Commission also oversaw this process in exchange for a financial loan that has placed the weight of the growing crisis on the backs of the Spanish working class. Significantly, the Spanish "reform" also sought to strengthen the position of the Spanish union federations in collective bargaining while flooding them with money.

The premise behind the proposal that Lula and the Brazilian union federations are making to achieve new labor legislation through tripartite negotiations is that there exists some common interest between capital and labor that can be mediated by the

state. In practice, any minor concession that the union federations and the Lula government can get from the employers will come at the expense of the suppression of workers' struggles.

This has already been done by previous governments led by the PT, which for 13 years was the preferred ruling party of the Brazilian and international capitalist elites. Luiz Marinho, in an interview with *TVT* on the day he was announced as a minister, stated, "I'm very hopeful that we can repeat what happened in the first [2003-2006] and second [2007-2010] Lula governments, and harmonize working conditions, therefore talking with the companies. Nobody is here to be 'anti' this or 'anti' that ... certainly, President Lula will recreate the Economic and Social Development Council."

As part of a "new social pact" introduced after the brutal attacks on the working class by the neoliberal government of President Fernando Henrique Cardoso (1996-2002), the Lula government established in 2003 a series of tripartite bodies. Besides the Economic and Social Development Council, it also created the National Labor Forum (FNT), which functioned until 2005 to prepare "democratically" and with the "understanding of the different social classes promoted by the State" a union reform and, based on it, a labor reform. Marinho was the coordinator of the FNT's Systematization Commission.

Only some measures of the union reform ended up being implemented, like the recognition of the union federations in 2008, allowing them to receive 10 percent of the union tax. This brought the CUT and the other union federations closer to Lula's government as prominent union leaders headed important ministries and occupied hundreds of government positions. In exchange, the CUT helped to suppress the struggle of Brazilian workers against the austerity policies of the Lula government.

The nationalist illusion that tripartite negotiations can secure workers' rights and living standards was further exposed under the administration of Dilma Rousseff (2011-2016), which coincided with the end of the commodities boom and the intensification of the economic crisis in the wake of the 2008 financial crash.

In the interview with *TVT*, Marinho referred to the policy of boosting the minimum wage, implemented by him in 2007 when he was minister of labor, as the one that "prevented strikes... If you have a healthy negotiation environment and the negotiation table can respond to the anxiety, to the organized demand of the workers, this is better for ... the workers, but also for the employers." This bankrupt perspective fails to explain the explosion of strikes that shocked Brazil beginning in 2012.

That year, federal public workers, who had gone into struggle ten years earlier against the Lula government's pension reform, waged a four-month strike against the Rousseff government. 2013 saw 1,106 strikes, 2.4 times more than the previous year, and the mass "June 2013" demonstrations against the entire political establishment, including the PT government. In 2014 and 2015, there were almost 2,000 strikes each year, many of them wildcat strikes against landmarks of the so-called developmentalist policy of the PT governments, such as at hydroelectric dams and the soccer stadiums for the 2014 World Cup.

The second Rousseff government, inaugurated in 2015, responded to this crisis by intensifying attacks on workers,

appointing the "Chicago Boy" Joaquim Levy as economy minister. This eroded any remaining popular support for the PT, leaving it unable to appeal to the working class against Rousseff's impeachment in 2016. Its collapse signaled the political dead end of one of the most significant of the bourgeois nationalist governments associated with the "Pink Tide" in Latin America.

The PT and the CUT were created after the massive strikes concentrated in the auto industry in the ABC region in the late 1970s that shook the Brazilian military dictatorship (1964-1985). Then they advanced a socialist phraseology that advocated, although vaguely, an independent struggle of the workers with the perspective of building a "socialist and democratic society." Various Pabloite organizations hailed the PT as a new road to socialism.

As the PT expanded its parliamentary presence and elected mayors in some cities in the 1980s, it soon abandoned any remnants of this program. In the 1990s, when the impact of capitalist globalization increased under the government of Fernando Collor de Melo (1990-1992) and deindustrialization in Brazil became more acute, the PT and the CUT began to openly defend an alliance between capital and labor in tripartite bodies to supposedly defend jobs. Marinho was one of the most significant proponents of this perspective in the CUT as president of the SMABC.

All over the world, including in the US with President Joe Biden and in Spain with the PSOE-Podemos government, the ruling elites are promoting pro-capitalist and corporatist unions to better suppress workers' struggles amid a growing economic and social crisis that has been deepened by the war in Ukraine. This was the policy pursued by Lula when the PT previously ruled Brazil, and it is precisely what he will try to replicate starting next year.

The Socialist Equality Group, which is fighting to build the Brazilian section of the International Committee of the Fourth International, calls on Brazilian workers who are entering into struggle to join the International Workers Alliance of Rank-And-File Committees, the only instrument whose internationalist form and socialist content can guarantee their rights.



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