Brazil in the ILO Committee on Freedom of Association (CFA):
The COVID-19 economic crisis and the possible new Labour Reforms

Summary

In 2018, the Committee on Freedom of Association (CFA) of the International Labour Organization (ILO) released its Annual Report showing a puzzling scenario: around

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3 This article is a modified version of the paper presented at the “Young Explorers Seminar (YES!) Cooperante”, which had been planned to be held in Lodz, Poland, but took place online on 1–2 July 2021 due to the COVID-19 pandemic (https://cooperante.uni.lodz.pl/yes/). Some of our ideas were also presented in the following online occasions: (i) paper Freedom of association in Brazil according to the International Labor Organization (ILO): Predicting Labor Reforms amid/after the COVID-19 pandemic, at the “Law and Society Association (LSA) Annual Meeting”, on 26–30 May 2021, scheduled to be in Chicago, USA (https://www.lawandsociety.org/chicago-2021/); and (ii) paper The Brazilian far-right populism and the ILO: Debates on social dialogue and political popularity, at the “5th Labour Law Research Network Conference (LLRN5)”, on 27–29 June 2021, intended to take place in Warsaw, Poland (https://llrn5poland.uni.lodz.pl/).
50% of the complaints – 1,681 out of 3,336 – presented before the Committee since its creation have come from Latin America. If we analyse the last 10 years – i.e. from 2008 to 2018 – we find out a more astonishing situation: around 67% of the complaints – 477 out of 708 – came from Latin America. This Latin-American presence in the CFA may become even greater due to the COVID-19 pandemic, as economic downturns often impact labour rights. By the way, it was during an economic crisis in Brazil that the 2017 Labour Reform – symbolized by Law No. 13,467/2017, in force since November that year – was passed, remodelling some of the Labour Law pillars in the country. On the ILO Normlex website, we notice that three Brazilian complaints were sent to the CFA after November 2017: Cases No. 3327, 3344, and 3355. They may show us how freedom of association has been recently treated in diverse economic sectors, as well as sow the seeds of Labour Reforms amid/after the COVID-19 economic crisis. This article utilizes observational/exploratory methods to analyse these three cases, pointing out if/how the core modifications of the 2017 Labour Reform in Brazil connect with the debates in the selected CFA Cases. All in all, what about next Reforms?

Keywords: International Labour Organization, freedom of association, economic crisis, Labour Reform, COVID-19 pandemic.

1. Introduction

The Committee on Freedom of Association (CFA) of the International Labour Organization (ILO) showed a puzzling scenario in 2018: around 50% of the complaints – 1,681 out of 3,336 – since its creation have come from Latin America. This Latin-American constant presence in the CFA seems to be in line with the recent Brazilian experience, as the country passed a Labour Reform – Law No. 13,467/2017 – that came into force in November 2017. One of its most powerful

We thank Prof. Evance Kalula – Emeritus Professor of the Law Faculty, University of Cape Town (UCT Law), South Africa, and Chairperson of the Committee on Freedom of Association (CFA) of the International Labour Organization (ILO) –, who stimulated our research on this topic via his online classes to the University of Sao Paulo, School of Law (FD-USP), in September and October 2020 (https://sites.usp.br/gemdit/eventos/lectures-ilo/).


arguments was precisely that labour rights disturb robust economic recoveries; and Brazil was then striving to remedy a deep and long-lasting downturn. So, topics such as vacations, remuneration, working hours, career plans, teleworking, intermittent work, trade union fees, and Labour Procedure were targeted, remodelling some of the Brazilian Labour Law pillars).

The COVID-19 pandemic has been deepening this “economic crisis/labour reform” logic, and other relevant Labour Reforms may take place in Brazil. On the ILO Normlex website, we notice that three complaints from Brazil were filed before the CFA after November 2017: Cases No. 3327, 3344, and 3355. They may show us how freedom of association has been recently treated in diverse economic sectors, as well as sow the seeds of Labour Reforms amid/after the COVID-19 economic crisis. This article utilizes observational/exploratory methods to analyse these three cases vis-à-vis the core modifications of the 2017 Labour Reform in Brazil. All in all, what about next Reforms?

To do so, we present the following sections: (i) insights on observational/exploratory research methods; (ii) some features of the CFA, highlighting the Latin-American frequent presence there; (iii) the core changes brought by the 2017 Labour Reform; (iv) the three CFA Cases; (v) final remarks; and (vi) our references to this study.

2. Observational/exploratory methods

What are they? Observational methods have experimental ones as their common counterparts – likewise quantitative vs. qualitative methods. They flourish significantly in political/social/economic researches, cover inductive analyses of symptoms, phenomena, and systems, and represent a larger group for exploratory – or correlative – methods. Observing differs from experimenting, because in the former

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independent variables cannot be – ethically, technically, or financially – controlled. Nonetheless, both observing and experimenting deal with dependent variables to further understand given outcomes. For example, a researcher who intends to categorize internet users’ behaviours in an enterprise may be content with collecting data from the available internet host, and his/her research will have these clear limits on resources; it is so because he/she may not design experiments in the enterprise – i.e. no variable may be controlled. Exploratory-based studies aim to dive deeper into – and thus understand better – a phenomenon, collect data, which may be at hand after a defined event, and may not be confused with descriptive studies – focused on more controlled data and on preconceived behaviour.

Exploratory research seeks applying new hypotheses, concepts, words, theories, or explanations to differently perceived segments of reality. Hence the attraction for how these segments work and associate with each other – perhaps in a causal way. Exploring offers “make-sense” alternatives, unexpected facets, counter-hegemonic clues to the world around us. But we should explore reality only if we know our starting point, our current position, and our limits. The results are about diversifying and expanding our frameworks to notice a phenomenon more accurately. The focus does not rely on the outcomes of human behaviour, but on the possible causal mechanisms underlying society, in a learning process mediated by several question marks – “why?”, “how?”

3. CFA and Latin America

The Committee has a tripartite nature, it kicked off its activities in 1951, and deals with alleged violations against freedom of association and collective bargaining, which are protected under many ILO key

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provisions – like its Constitution\textsuperscript{10} and the Declaration of Philadelphia\textsuperscript{11}, which was attached to the Constitution\textsuperscript{12}. If we analyse the last 10 years – i.e. from 2008 to 2018 – we see that around 67\% of the complaints – 477 out of 708 – came from Latin America. It is more astonishing than the abovementioned data on the Latin-American presence in the CFA\textsuperscript{13}. Making it clearer:

![Graph showing number of CFA cases by region](image URL)

Figure 1 – Complaints by region presented before the CFA (1951–2018)\textsuperscript{14}


\textsuperscript{13} Id. (2018a), op. cit., pp. 3–5.

\textsuperscript{14} Adapted from: Ibid., p. 3.
Due to the COVID-19 pandemic, these numbers may skyrocket – especially in developing countries, such as the Latin-American ones.

4. The 2017 Labour Reform in Brazil

The Consolidation of Labour Laws (CLT) – Decree-Law No. 5,452/1943, the main legal instrument in the field – was deeply affected by this Labour Reform, which became applicable to all employment relationships. Nonetheless, topics such as Christmas bonus, minimum wage, Severance Indemnity Fund (FGTS), Social Security benefits – in which the National Institute of Social Security (INSS) plays a major role, unemployment insurance, maternity/paternity leave, occupational health and safety, and weekly paid rest remained the same. But what changed?

15 Adapted from: Ibid., p. 5.
17 Cavallini (2017), op. cit.
For instance, collective agreements and conventions became prevalent over the labour legislation in matters such as breaks and working hours, career plans, compensatory time off, intermittent work, productivity remuneration, and teleworking. Trade union fees are no longer mandatory, and termination of employment contracts needs involvement neither from the Ministry of Labour nor from trade unions. In turn, the so-called “12x36” scheme – 12 hours of work followed by 36 hours of rest – may be used in all activities if employees and employers agree to it; breaks during shifts and collective dismissals may also be negotiated this way. Intermittent work is now regulated, providing for FGTS, vacations, Christmas bonus, Social Security benefits, and remuneration – based on hourly wages, which must not be lower than the minimum/professional wages. Employers in this situation must inform their employees about the incoming working hours three calendar days minimum, and the employees must reply in one day. Teleworking was regulated too: it means no control over working hours, establishes remuneration according to tasks done, and allows specific in-person obligations.\(^{18}\)

On premia, allowances, commissions, they are not salary-related anymore, which means that labour and Social Security benefits tend to have their values declined. Moreover, minimum/professional wages may not be observed in productivity remuneration, and companies may directly negotiate with their employees all remuneration elements aside from salaries. Employees who earn a monthly salary of at least twice the higher INSSS benefit – BRL 11,062.62 or around USD 3,387.10 in November 2017 – may negotiate time after time career plans without contract registrations/approvals; by the way, arbitration may take place to resolve disputes in this context. Employees who lost their demands in the Labour Justice must now pay court/tribunal and attorney fees to their former/current employers – who are the winners in this example. Besides, the judge may demand the payment of damages and fines from the employee who litigated in bad faith. But the employer counts on a ceiling: if he/she caused severe pain and suffering in his/her employee, the highest indemnity is 50 times the last contractual salary. And lactating/pregnant women are allowed to work in low/

\(^{18}\) Ibid.
medium-degree unhealthy environments – unless physicians advise against it\textsuperscript{19}.

5. CFA Cases on Brazil after the 2017 Labour Reform

Case No. 3327 started on 8 June 2018 and was filed by the Single Confederation of Oil Workers (FUP) and by the Single Confederation of Workers (CUT). The Report remarks that Brazil did not ratify the ILO Convention No. 87 – “Freedom of Association and Protection of the Right to Organise”\textsuperscript{20} of 1948 – but did so in the ILO Convention No. 98 – “Right to Organise and Collective Bargaining”\textsuperscript{21} of 1949\textsuperscript{22}.

The complainants said that a strike of oil workers was called in May–June 2018 by trade unions, but the oil company – Petrobras (Petróleo Brasileiro S.A.), which has the Federal Government as a decisive shareholder – filed a lawsuit to avert it. Petrobras argued that the strike was abusive due to its ideological/political motivations and requested a BRL 1,000,000 – around USD 178,037.32 – fine to the trade unions if they disturbed free movements of people and goods. The Superior Labour Court (TST) immediately prohibited the strike and established a BRL 500,000 – or USD 89,018.66 – daily fine to the non-observant. The trade unions expressed to the CFA that this strike was not merely ideological, but entailed many other themes, such as privatization, jobs, importation, cooking gas and fuel, national production, and the Petrobras Chairperson. The trade unions ended up not complying with the order, and the TST quadrupled the fine, which meant BRL 2,000,000 – or USD 356,074.63 – to be paid daily. This decision was deemed excessive as they do not have financial capacities to bear the fine, and would prevent any strike – which is a right in Brazil ac-

\textsuperscript{19} Ibid.
cording, for instance, to the Federal Constitution (CF)\textsuperscript{23} and to Law No. 7,783/1989\textsuperscript{24}. The fine was later significantly reduced\textsuperscript{25}.

The Brazilian Federal Government replied utilizing the TST order to highlight the ideological stimuli of the strike, supposedly promoted to cause disturbances beyond the Petrobras management; working conditions were not relevant because a collective bargaining agreement had been recently entered into force. The Government also stated that the trade unions pursued their opportunistic agenda: they planned the strike when Brazil was emerging from the socioeconomic downturn caused by massive and long-lasting protests of truckers. All in all, the TST order should be respected\textsuperscript{26}.

The CFA made a detailed reflection. For example, it affirmed that “essential service” had an abstract, flexible definition; when the lack of a service endangers safety, health, and life, it is surely essential. Nonetheless, trade unions should not be trivial signers of collective norms, considering their key roles in broader socio-political matters. The Brazilian Government should call debates about imposed fines with the most representative organizations, in line with the tripartite dialogue\textsuperscript{27}.

Case No. 3344, in turn, started on 3 December 2018. Its Definitive Report displays a plethora of complainants linked to the public sector, which unfortunately makes this Case almost useless to our study: the 2017 Labour Reform in Brazil targeted first and foremost the CLT, the heart of labour relations in the private sector. Nonetheless, the trade unions argued in the Case that the Government imposed restrictions. A bill regulating freedom of association in the public sector was discussed by stakeholders, but it was vetoed by the President of the Republic. Replying to this, the Government affirmed that the ILO Con-


\textsuperscript{25} CFA-ILO (2021), op. cit.

\textsuperscript{26} Ibid.

\textsuperscript{27} Ibid.
vention No. 151\textsuperscript{28} – on public service, from 1978, ratified by Brazil – is its reference and that the Senate is negotiating a new bill to establish standards for the theme. The CFA emphasized the relevance of social dialogue, encouraging the authorities to follow this path and to adopt suitable legislation as soon as possible\textsuperscript{29}.

And Case No. 3355, unfolding on 9 April 2019, leads to the very problem mentioned above: it is about a trade union of public servants in the City of Campinas, State of Sao Paulo. We cannot access its arguments because of the confidentiality label on the website. Government observations were sent to the CFA in October 2021, June 2021, March 2021, October 2020, and October 2019\textsuperscript{30}.

6. Conclusion

As we said, this article may present more doubts than certainties because it is explicitly observational/exploratory. For instance, why does Latin America demand the CFA so intensely? We would love to know! Sadly, no firm answers here... Nonetheless, we may write a couple of affirmations. The examined CFA Cases deal \textit{grosso modo} with fees imposed to trade unions when strikes are considered abusive and with difficulties faced by the representatives of public servants. Curiously, in the Cases there was no substantial mention of the 2017 Labour Reform in Brazil; perhaps trade unions gestured some understandable resignation on the Reform, as it wiped out many of their core attributes. Abusive strike, in turn, is an issue connected not so much with the CLT or with the Reform, as it is with Law No. 7,783/1989. So, if new Labour Reforms in Brazil emerge taking into account the CFA Cases, abusive strike may be the next disputable subject.


Bibliography

Case-law


Bibliography


Noms


Le Brésil dans le Comité de la liberté syndicale (CFA) de l’OIT: crise économique du COVID-19 et nouvelles réformes possibles du marché du travail

Résumé


Mots-clés: Organisation internationale du travail, liberté d’association, crise économique, réforme du marché du travail, pandémie de COVID-19

Brazylia w Komitecie Wolności Zrzeszania się MOP (CFA):
Kryzys gospodarczy związany z COVID-19
i możliwe nowe reformy rynku pracy

Streszczenie

W 2018 r. Komitet ds. Wolności Związkowej (CFA) Międzynarodowej Organizacji Pracy (MOP) opublikował sprawozdanie roczne przedstawiające zagadkowy scenariusz:

Słowa kluczowe: Międzynarodowa Organizacja Pracy, wolność zrzeszania się, kryzys gospodarczy, reforma rynku pracy, pandemia COVID-19