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Volta Redonda, the City and the Steel

Maria Celina D'Araujo

Catholic University of Rio (PUC-Rio), Brazil

(Dinius, Oliver J. 2011. *Brazil's Steel City*. California: Stanford University Press)

Firstly, this book makes for a great read, with rigorous research typical of a specialist who wants to appeal to those who are not. The book is about the creation of the Companhia Siderúrgica Nacional (CSN, National Steel Corporation) founded in 1941, during the Vargas dictatorship and, at the same time, about the emergence of the city which would be its home, in the Paraíba Valley, in the state of Rio de Janeiro. In particular, it deals with how the group of workers in this industry was formed and how intense union activity was initiated to represent them. The beginning of this process is analyzed from the perspective of the public policies geared towards the country's industrialization and a paternalist model of workers' relations is adopted.

Located in the then-named Santo Antonio district of Volta Redonda in the county of Barra Mansa, in the Paraíba Valley, Volta Redonda would gain city status in 1954, eight years after the CSN started up. During the military dictatorship the city was considered an area of "national security" and in the 1990s it underwent one of the most talked about privatizations of the time. It is no wonder: the CSN represented the start of the successful second industrial revolution in Brazil and caught the public imagination as a symbol of national independence and sovereignty. These are more than sufficient reasons to make the study of this subject fascinating. It helps to understand the country's model for economic development and the persistence of a nationalist ideology.

Focusing on these aspects, the book's central topic is work. Specifically, it looks at work relations in the factory, the emergence of the workers' union, the relationship between the factory and the city and between the workers and government authorities and experts. It is an excellent piece of research for understanding the construction of the workers'

identity in a context of large state companies and union-State relations. The study presents an opportunity to think about how plans for social democracy and social capitalism were carried out (and failed) in the country. The chronology ends in 1964 when union activity practically dies out, in Volta Redonda and in the whole of Brazil.

The book tells us that the workers at the CSN formed a privileged group among the country's industrial workers and that the CSN was a unique company because it belonged to the State and because of its work or "factory regime" (to borrow Michael Burawoy's term). It was a state company based on intensive production of capital and had central monopoly over activity under the Brazilian government's developmental and national project. It sought an innovative model in industrial relations within the factory as well as in the factory's interactions with the city then planned in a rural space to give a home to the elite of industrial workers. These aspects in themselves make the CSN part of Brazilian industrial history with all its successes and twists. The CSN described in the book, therefore, is a landmark in developmentalist ideology, nationalism, industrialism and laborism. It is the expression of an enterprise which proposed to propel national development. Above all, it is a new experience for the activity and demands of a group of workers and their union leaders who knew how to use the factory's symbolic status and its socioeconomic peculiarities in order to achieve social gains to which the majority of Brazilian industrial workers did not have access.

The author argues that the workers of this company considered themselves key actors in the national development project. Thus, they claimed that they should receive benefits (salary raises, health services, housing, leisure, education, quality of life) for the group and their city as dividends for this strategic participation. They were not opposed to the company or their employer as such, but there was a plan to give back the factory's profits to those who worked in it and to the city where they lived. This led to a high union participation from the 1950s, after the union interventions of Dutra's government.

Between 1951 and 1958 the workers at the CSN had the highest salary raises among the country's industrial workers and, according to the author, their highly militant participation in unions contributed to the political crisis of the 1960s, at the center of which were suspicions about the highly mobilized union movement, such as the one in Volta Redonda. For him, this is a story which reveals the political consequences of an economically motivated action exemplifying how the specific claims of a group of workers to enjoy the "fruits of their work" can interfere in development policies and create political impasses.

The CSN was designed to be a large economic, political and social enterprise, and also an example of social welfare and fair salaries for their workers. This was the main impulse for the strong union movement which started up there and which produced a powerful union elite with strong negotiation power with the government.

The author begins by building up a picture of Brazil's pre-industrial economy and the projects that led to the creation of the Corporation which would become the symbol of our industrialization. He tells the story from the calculations for economic benefit to the decisions on the geographic location of the factory, which was to be in a rural zone with good potential for connections and transport to the country's most dynamic region, the Southeast. The Volta Redonda district belonged to a declining coffee growing region which still had preserved railroads and was close to the ports of Rio de Janeiro. The local political leaders, however, were not sympathetic to this tremendous enterprise, fearing that the new activity would take labor away from the countryside to the emerging city. It was understood that, not only in this small location, but at other levels of society, industry and agriculture were at odds with each other. The future would show, however, that Vargas's development model made it possible for the country to industrialize without changing land privileges.

To ease this worry, many started to work on the construction of the Corporation as seasonal workers, dividing their time with rural activities during harvest time. The living conditions were still poor and even inhuman. Most of them did not have qualifications and needed to be trained. These were some of the challenges facing the skilled group of engineers responsible for the works and led by Edmundo de Macedo Soares e Silva.

Together with the factory a city was planned to give homes to the new migrants from the region and the rest of the country. It was to be a city directly connected to the factory, an extension of the Corporation, with residential housing, schools and health centers. Housing, education, technical training, leisure, childcare for the offspring of the local workers, everything was thought out to ensure the interdependence between the city and the working environment. In the words of the designers, one big family would be formed. The book cites some telling examples of these intentions, one of these being a competition for the strongest baby towards the end of the 1940s.

The local population doubled in ten years, there was not enough housing and the temporary facilities gave way to what would become known as favelas which coexisted with the city that was supposed to be a model of social democracy. The social services and quality housing, however, were always available to blue-collar workers. Generally, the quality of the social services meant that the city was ahead of the country's other industrial centers although the city was not without significant inequalities, especially for those who did not work for the Corporation.

The local population felt that the corporation was part of their protection and of a personal project which shielded them from harsh policies regarding salary readjustments, reassignment of labor or even dismissal at moments of crisis or adjustments. According to the author, the project was imbued with a mixture of paternalism, bureaucratic rationalization and citizenship, all of which was supported by strong influence from the Catholic Church

and by excellent archival records of employees. The study successfully examines workers' career paths and the system of earned promotions.

With the end of the Estado Novo, political liberalization also led to intense surveillance of communist activities. The concentration of industrial workers in Volta Redonda meant that the city became a target for militant communists and, as a result, for the political police. The return of Getulio Vargas to power in 1951 eases industrial relations throughout the county and revitalizes union activity among this group of workers. Meanwhile, factory production was increasing and becoming more urgent for national development. This meant that this category of workers became a group with important and powerful resources for negotiating salary benefits. In their favor, they argued that this was no ordinary business enterprise; they were participating in a national project.

The workers therefore had a dual understanding of their identity and economic insertion: they were salaried workers but belonged to a company that was part of the local society and the soul of a national development project. The author does not deal directly with the concept of patrimonialism, but this would be a case for reflection on this phenomenon. With all the incongruities inherent in the inequalities of benefits among workers and inhabitants, the Corporation was seen as a mix of public and private, of national interest and private property for those who were directly or indirectly involved in it. According to the author, this characteristic undermined its power of corporate decision-making. Its moral and emotional links with the community prevented it from making more aggressive organizational restructurings aimed at stabilizing the corporation's finances.

The union leaders, on their part, confused their tasks with company management duties and sometimes took on both roles. The social services within the corporation were headed by union representatives. An example we are given of these trajectories is that of Othon Reis Fernandes, someone who alternated between union leadership and the management of CSN's social matters.

In setting up a strategic enterprise for development, the government also produced a powerful strategic group of workers who could sabotage the planned economic model, an attitude seen as threatening in the 1960s. For the author, this is one of the challenges in understanding the political and ideological connections between the steel industry and laborism in Brazil. He shows that countries which took on state enterprises in this economic activity, such as the USSR and India, arrived at different results and did not become very vulnerable to union and social pressures. With these thoughts the author concludes that the power of the workers, as power of "agency", derived from their strategic position in the industry and from their place in the social division of labor.

With 57 pages of notes, the book is an excellent reflection on and narrative of a company so central to the country's economy that in 1988 it hosted one of the country's most

violent strikes and ended up being privatized in 1993. The book ends in 1964 but paves the way for thinking about what came next. In the 1960s the workers achieved raises above the rate of inflation, generating fears with regard to the Corporation's financial collapse. With the military coup it was taken over by the Army which put an end to union activity. But the problems would come back. Its privatization was one of the most traumatic experiences, not only for the city of Volta Redonda, but for the whole of Brazilian society.

Translated by Hedd Megchild