



Inside this number:

- Interest rate cuts must be bigger 01
- UGT receives the visit of Minister of Labor 02
- Union centers want debate over the labor reform 02
- ILO: unemployment will rise 03
- United to face reforms 03
- Maintenance workers discuss 2017 04
- UGT' Bahia at the Cleansing of Bonfim 04
- Analysis of proposals to stimulate growth 04

Interest rate cuts must be bigger

Small Selic rate cut shows that government continues to favor speculative capital

Ricardo Patah, National President of União Geral dos Trabalhadores (UGT)

The 0.75 points reduction in the Selic base interest rate announced by the Central Bank, at the first meeting of the COPOM (Monetary Policy Committee) of 2017, was below what Brazil needs to resume the path of social and economic development.

To União Geral dos Trabalhadores (UGT), the government showed, once again, timidity in reducing the Selic rate, which favors speculative capital over productive capital - the latter contributing to job creation, income, increasing the purchasing power of the population and warming the country's economy.



One of the arguments used to keep the interest rate high is inflation control, but by keeping interest at a high level the government also makes money cost higher, causing credit to remain high and the demand for products and services becomes low, that is, families reduce their consumption, a factor that influences the entire Brazilian production chain.

The decline in inflation, which, according to data from the IBGE (Brazilian Institute of Geography and Statistics), reached 6.29% last year and, therefore, within the government's target of 6.50%, should not be celebrated because at the other end there is decrease in consumption, in a demonstration that the population has stopped buying, so prices are falling.

With the 0.75 points reduction, the Selic interest rate goes from 13.75% to 13%, yet we continue to be the country with one of the highest interest rates in the world, which favors the entry of speculative capital.

Trade union centers make protest at the Bacen

UGT, together with Força Sindical, Nova Central and CGTB, held a large event in front of the Central Bank in São Paulo, at the first meeting of the Monetary Policy Committee - COPOM in 2017.

"It is no longer possible to continue with this model of monetary policy that favors speculative capital," said Josimar Andrade, head of the Commerce Workers Union of São Paulo, representing Ricardo Patah, UGT national president.

To Josimar this is a moment of union between all class entities, social movements and the population since the measures proposed by the federal government not only reach the working class or a specific category. "This is the time to shake hands and say No to these measures that will benefit bankers and speculative capital even more."

"It is wrong for the government to channel its actions exclusively to the financial market, which has only one goal: profit at its prime. Through the virtual market, this does not generate employment or income, this is bad for the social and economic development of Brazil", Josimar concluded. *(Fábio Ramalho - UGT press)*



UGT em defesa dos Trabalhadores

UGT receives the visit of Minister of Labor in São Paulo

On January 10, Ronaldo Nogueira, Minister of Labor, visited the headquarters of the UGT where he attended a meeting with Ricardo Patah, president of the entity, and with other leaders. The meeting, which was also attended by officers from the Commerce Workers Union of São Paulo, had the goal of discussing the project of social security reform presented by the government.

Officers from UGT and economists linked to the entity reminded the Minister that the changes suggested by the government cannot represent a loss to the labor relations and the rights achieved by the workers.

Patah reminded the minister that the trade union center, which is the second largest in the country, represents more than 1,300 unions and 10 million workers and it is in defense of the interests of this mass of workers that UGT will guide its actions in relation to the proposals to change the Measures that the Government intends to make in the CLT (Consolidation of Labor Laws).



Trade union centers want debate over the labor reform

Trade unions step pressure for labor reform without urgency

On Monday 16, presidents of the six largest trade union centers in Brazil (CUT, UGT, CTB, Força Sindical, CSB and Nova Central) sent a letter to president Michel Temer.

Unionists are making an effort to get the bill that changes labor law to be reviewed by congressmen without urgency.

"Given the relevance of this topic, we consider it essential to establish with the workers and their movement, with society, with the government and the National Congress, a broad and democratic process of debate and negotiation about this bill," says a passage of the document.

Presidents Vagner Freitas (CUT), Ricardo Patah (UGT), Adilson Araújo (CTB), Paulinho da Força (Força Sindical), Antonio Neto (CSB) and José Calixto Ramos (Nova Central) signed the letter.

Last week, Ronaldo Nogueira, Minister of Labor and Employment, had a meeting with all the leaders. He went to the head offices of 5 trade union centrals. The only one he did not visit was CUT, but he received President Vagner Freitas in Brasilia. The government is committed to securing the project approval in 2017.

Read the letter in full letter:

"Mr. President,

Your government has sent a package of proposals (Bill 6,787/2016) that reforms labor legislation to the National Congress, dealing with issues that considerably reflect on the living and working conditions of millions of Brazilian workers, collective bargaining, the economy and development of alternatives.

Given the relevance of the theme, we consider it fundamental to establish with the workers and their movement, with society, with the government and the National Congress, a broad and democratic process of debate and negotiation about this Bill.

Thus, the trade union organizations that have signed the present letter together urge you to ensure that the procedure of Bill 6,787/2016, which should follow legal paths in the two houses of Parliament, is carried out in a regular, normal manner, avoiding the need to set aside the urgency provided in Article 64 (1) of the Federal Constitution, therefore enabling the right of trade union and society participation in a sensitive and central issue to the world of work.

Being what we have for the moment, we send our cordial greetings.

Regards,

Vagner Freitas (CUT), Ricardo Patah (UGT), Adilson Araújo (CTB), Paulinho da Força (Força Sindical), Antonio Neto (CSB) and José Calixto Ramos (Nova Central)."



Read: Withdrawal of rights does not generate employment!
of Luiz Carlos Motta,
President of the
Federation of
Commerce of São
Paulo

ILO: unemployment will rise

Out of every three new unemployed workers in the world in 2017, one will be Brazilian.

Brazil will have the largest increase in unemployment among the G-20 economies in 2017 and will add 1.4 million new unemployed workers to society by 2018. The data are from the International Labor Organization, which, through a report, warns that unemployment in the country will continue to expand and will reach a total of 13.8 million Brazilians by next year



ILO estimates that, between 2016 and 2017, the army of the unemployed on the planet will increase by 3.4 million. But the epicenter of this crisis will be Brazil, responsible for 35% of that number, with 1.2 million in 2017 and another 200,000 in 2018.

According to data from this institution, the number of Brazilians without jobs will increase from 12.4 million in 2016 to 13.6 million in 2017. By 2018, the total number will reach 13.8 million

In percentage terms, the rise in unemployment in Brazil will be the largest among the economies of the G-20. The rate will increase from 11.5% in 2016 to 12.4% in 2017. By the end of 2018, only South Africa will still have an unemployment rate higher than Brazil.

In the evaluation of Steve Tobin, ILO senior economist, there are indications that the Brazilian economy will begin to recover in 2018. But an impact on the labor market will not be immediate since companies tend to wait before re-hiring. "Even if GDP improves, there is a delayed reaction in the labor market," he explained. In the assessment of ILO, the recession in 2016 in Brazil was "deeper than anticipated" and that reality will still be felt in 2017.

One of ILO's fears is that informality in the Brazilian labor market grows, as well as the rate of people in precarious jobs.

According to the entity, with a 3.3% reduction of the Brazilian GDP in 2016, the result was an impact throughout Latin America and exports from neighboring countries. The Brazilian scenario led regional GDP to fall by 0.4%. The more dependent a country is on Brazil, the worse is the outcome for the continent. In Central America, for example, GDP growth reached 2.4%. In South America, the drop was 1.8%.

United to face reforms

UGT reinforces urgency in defining the unified proposals of the trade union movement to face reforms

On January 11, União Geral dos Trabalhadores - UGT had a meeting at Dieese (Inter-Union Department of Statistics and Socioeconomic Studies) with other trade union centers with the goal of defining actions to be taken in 2017 to face the projects of reform led by the government that harm Brazilian workers.



"Our challenge is not just to plan, but to get a mobilization to actually happen. This is the urgency. We need to bring this debate to all the states so that, unified and aligned, we are able to defend in Congress the necessary changes and to present alternatives, whether in the labor reform, Social Security or in matters related to outsourcing. We need to move forward in action, in practice," Canindé Pegado, UGT's Secretary General, said.

The next expected steps are the definition of the mobilization agenda, the definition of the unified proposal of the trade union movement on the reform projects and the execution of state debates. "We have to mobilize society as long as we have a proposal. It's no use just being against or in favor. It is necessary to detail our vision, to detail the content, so that we can mobilize, act and obtain satisfactory results", Pegado concluded.



World Employment and Social Outlook: Trends 2017

Maintenance workers discuss 2017

With the presence of **UGT's national president, Ricardo Patah**, the State branch of Rio de Janeiro (UGT-RJ), hosted, on January 12, a seminar on the "Think Big Project".

This meeting was promoted by the Union of Employees in Cleaning and Maintenance Services of Rio de Janeiro, which, according to its president Antonio Carlos da Silva, aims to promote greater organization of the sector in the face of the imminent risk of loss of benefits achieved by the workers of Siemaco Rio. "We need to organize ourselves so that we have the strength to face what is coming next in 2017," he emphasized.



Nilson Duarte Costa, President of UGT-RJ, welcomed everyone, drawing attention to the urgent need for greater union of the working class. "There are projects and attempts to demobilize the trade union movement through the House of Representatives and the Federal Senate, which is a small but important group, so we have to show our strength," he said. He added "in 2017, we should make discussions on reemployment". Nilson also announced a meeting with the unions of public servants affiliated to UGT Rio that will take place in January.

Ricardo Patah reinforced the speech of the president of UGT-RJ regarding congressmen who, for several reasons, have been attacking the trade union movement. He cited the names of Senator Sergio Petecão and congressmen Sóstenes Cavalcante and Ricardo Issac, as well as the interventions of the union center with these and other politicians in order to reverse or minimize the effects of such projects.

UGT's State branch of Bahia at the Cleansing of Bonfim

On January 12, **União Geral dos Trabalhadores UGT's State branch of Bahia (UGT-BA)** participated in the traditional cleansing of the Bonfim Stairs, the main religious festival of the state, which gathers thousands of people and consists of an eight kilometers march between the Basilica of Senhora da Conceição da Praia and Senhor do Bonfim



"This is an expression of devotion in which the people from Bahia carry their requests for peace and prosperity for the year that has just begun," Magno Lavigne, president of UGT-BA, explained.

And UGT could not be absent precisely on the day when the patron saint of Bahia is honored. "We take the ideal of the working class against social security reform, outsourcing and removal of rights, as well as the defense of democracy," Magno said.

"UGT-Bahia came to the fight, came to ask Bonfim that the pension reform is not approved, because our trade union center and the Lord of Bonfim will walk in the fight and in faith in 2017," he concluded. (*Adriana Santos - Advisor of UGT-BA*)

Analysis of proposals to stimulate growth

The federal government has just announced a package of microeconomic measures aimed at preventing recession from deepening. In 2016, GDP has been falling for three consecutive quarters and it is expected to close with a 4% decline this year. This projection signals a clear process of economic depression, a situation that the Brazilian economy had not experienced since the crisis of 1929.

The set of measures announced by the government, however, is not a program to stimulate the economy and will not be able to boost productive activity. A number of initiatives were expected from the government that would mobilize investments and resume domestic consumption, with the State assuming the role of inducing the mission of taking our economy out of recession. (*DIEESE*)



Análise das propostas do governo para incentivar a retomada do crescimento da economia

The UGT Global is the Newsletter of International Information of the União Geral dos Trabalhadores
The UGT union is an organization formed to defend the Brazilian workers across a broad trade union movement, national, ethical, supportive, independent, democratic and innovative.

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