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**NEW INVESTMENTS AND INDUSTRIAL LOCATION:  
LABOUR QUALIFICATION AND ORGANISATIONAL STRATEGIES**

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The issue of industrial locations appeared on Brazil's economic and political agenda in the early 1990's, mostly in the wake of foreign investments in new vehicle manufacturing plants. This paper seeks to contribute to the debate, starting from an analysis of the installation of new plants outside Brazil's traditional industrial automotive region. The case of a new engine plant established in a town of the interior in 1996 serves as the main reference.

The paper begins with the justifications and the explanations of several agents regarding the tendency for new plants to be established in regions with little tradition in this industrial sector. For this specific issue, our source of information consists of data collected during interviews carried out for this specific purpose and involving managers and directors of the automaker's Brazilian headquarters, located in the most traditional region of Brazil's automotive industry; managers of the new engine factory; members of its shop floor commission; representatives of the metalworkers union of the traditional region and of the town in the interior. The work reported on here is part of a research project on the Brazilian automotive industry developed by the Department of Industrial Engineering, Federal University of São Carlos and backed by financial support from FAPESP.

Based on these interviews, we attempt to understand the sense people attribute to their lives and to uncover clues that reveal how the interviewees' build and legitimise their arguments. Some of the parameters under discussion are the dispute between municipal and state governments attempting to attract new investments (the so-called "fiscal war") and the differences in salary and trade union action between the two regions.

As the main theme of this survey, our focus was on the process of implementation and development of the industrial relationships in the new plant, analysing the initial options regarding labour qualifications and organisational arrangements. At this initial stage, the manufacturer favoured the recruitment of young people with little or no industrial experience, placing strong emphasis on in-house training and creating a structure with few hierarchical levels. The production, which is organised into work groups according to the mini-factory concept, with internal rotation of the workers, has become a benchmark for the automaker's other plants.

Finally, the possibilities and restrictions of the manufacturer's initial choices is analysed in face of the strikes this factory has experienced since 1999, serving as the basis for a discussion of the correlation between the management's standpoint regarding new investments in Brazil's automotive industry and the development of industrial relations that support these organisational arrangements.