

Unprecedented attacks on Fiat workers

Marianne Arens, Peter Schwarz
10 November 2010

If Fiat CEO Sergio Marchionne has his way, wages at the Italian auto manufacturer will be equivalent to those in Poland, with working conditions resembling those during the Great Depression.

Last week, the Fiat board announced it would be presenting a new contract for the employees of the entire group. It is based on an agreement implemented in June at the Pomigliano D'Arco factory near Naples and includes longer and more flexible working hours, shorter breaks and a no-strike agreement.

Marchionne justified the radical measures by referring to the dilapidated condition of the factories in Italy and Fiat's poor stock market results in October. Cutthroat competition and overcapacity in the global auto markets made it a question of survival, he said.

The Fiat Group, which some two years ago took over the US car maker Chrysler, has manufacturing facilities around the world, including in Poland, Serbia, Turkey and Brazil. Fiat makes most of its profits in Brazil, while in Europe it is losing money.

Two weeks ago on national television, Marchionne had threatened to close Fiat's Italian plants because the company would fare better without them on the world market, he said. A few days later, the Fiat boss said the company would be investing twenty billion euros in the Italian plants in the next five years, at least doubling the production of automobiles. The condition for this, however, was that the unions accepted the radical course he had prescribed.

Part of this plan is to increase productivity to the level of the factory in Tychy, Poland, where 6,000 employees produce a new car every 35 seconds. Fiat's Polish factory is one of the most productive in Europe.

As part of the "Fabbriche Italia" project, Marchionne wants to split the company into two parts, which will be floated separately on the Milan Stock Exchange in January. Fiat will then exclusively comprise its automotive sector, while Fiat Industrial will concentrate on the production of trucks (Iveco), farm equipment (CNH) as well as engines and transmissions (Powertrain). The assembly plant in Sicily, Termini Imerese, will be closed completely by 2011.

Pilot project Pomigliano D'Arco

Marchionne is using the Fiat plant in Pomigliano D'Arco near Naples as a pilot project for the attacks on wages and working conditions. Unemployment in the underdeveloped south is particularly high. The fact that the 4,800 employees have been repeatedly forced to accept weeks of "short-time work" over the past two years means the scope for extortion in contract negotiations is particularly high there.

During the summer, Marchionne posed an ultimatum to the workforce in Pomigliano D'Arco: either they must accept far worse

working conditions while maintaining the same levels of productivity as in the Tychy factory in Poland, or the factory would be closed. If the workforce agreed, he promised new investment of €700 million and the relocation of production of the Panda model from Tychy to Pomigliano D'Arco.

Marchionne's ultimatum was not limited to lifting the existing collective agreements. The contract he is dictating ignores the national labour law, introduced following the bitterly fought strike of auto workers in the "hot autumn" of 1969. The prohibition of strikes is also contrary to the Italian constitution.

The new contract treats Saturday as a normal working day and specifies that every worker must work up to eighty hours of overtime a year. The policing of sick leave will be significantly tightened, and special arrangements will be abolished. Break times will be cut by ten minutes, the legal rules for shift workers will be changed so that the recovery phase would be at the end of a shift. Strikes will generally be prohibited, strikers can be dismissed, and organisations that call for strikes can be banned from the factory.

Marchionne found willing helpers among the trade unions. Four of the five metal workers trade unions in the factory (Fim, UILM, Fismic and UGL) agreed to the contract; only FIOM, which is affiliated to the largest trade union federation CGIL, refused to sign.

A vote of the entire staff was conducted, and although the sword of Damocles of plant closure hangs over the workers, 36 percent voted against the new labour contract. These workers know well the dangers of unemployment: for years the factory in Campania has experienced periods of short-time working, in which workers have to live on the alms provided by the *Cassa integrazione*, a form of state unemployment benefits.

The model used by the Italian-Canadian Marchionne for these attacks on the Fiat workforce is the United States. Two years ago, at the height of the global financial crisis, Fiat took over the Chrysler Group and then closed several plants with the support of President Barack Obama, and in close cooperation with the UAW autoworkers' union. The UAW has accepted that new employees will receive 50 percent less pay, and agreed to a multi-year ban on strikes, for which the union was rewarded with a substantial equity stake in the company.

Now, the Fiat Board wants to get similar concessions from the Italian and European trade unions and introduce low pay, flexible working conditions and no-strike agreements in its European factories. The new working conditions for these factories were the subject of discussions on November 4 between Marchionne and the chairs of the CISL (Raffaele Bonanni) and UIL (Luigi Angeletti) trade union federations, who had already approved the plan in June, and the heads of their respective metal workers unions.

The trade union federation CGIL and its metal workers wing FIOM, which had not signed the agreement covering Pomigliano d'Arco,

were not invited. These unions are traditionally close to the successor organisations of the Italian Communist Party. With 360,000 members according to official statistics, FIOM is the largest metalworkers' union.

The role of the CGIL and FIOM

The attitude of FIOM and CGIL cannot be fundamentally distinguished from the conservative trade unions UIL and CISL, which supported Marchionne's course from the beginning. All three major unions ultimately accept the drastic restructuring of Fiat and are participating in it.

However, FIOM and CGIL think it is necessary to take account of the anger of the workers involved, at least partially; they want to prevent resistance from taking an independent political direction. On October 16, they organized a demonstration in Rome involving several thousand workers, ostensibly to protest the attacks by Fiat and the economic policies of the Berlusconi government.

FIOM General Secretary Maurizio Landini said, "We want to defend employment contracts, jobs and democracy—in the face of one of the biggest attacks on the rights of the workers." CGIL Secretary Guglielmo Epifani even threatened a general strike if the government did not immediately accept the needs of workers.

But these are empty words. In reality, FIOM and CGIL have long since come to terms with the attacks at Fiat, knowing that they set the standard for the entire Italian economy.

The fact that the CGIL leader Epifani has agreed to the agreement at Pomigliano d'Arco, although the local FIOM Association is officially opposed, is an open secret in the media. He has even publicly justified the agreement with the fact that in many factories, working conditions today are far worse.

FIOM chair Landini supports the plan to shift production of the Panda from Poland to Italy. "We and the workers are the first to have an interest in keeping production in Italy," he said on the radio. He compared Fiat to Volkswagen in Germany. VW deliberately kept about half its production in Germany, while Fiat conducts three-quarters of its production outside Italy, he said, pointing to his willingness to make concessions. FIOM was "not an organization that always says no."

Last week, Epifani was replaced as head of CGIL by the 55-year-old Susanna Camusso from Milan. For twenty years, from 1977 to 1997, Camusso was a member of the local, regional and national leadership of FIOM. She is said to have good relations with the head of the employers' association Confindustria, Emma Marcegaglia. "The two women know each other, appreciate each other," writes the *Basler Zeitung*.

Camusso complained that she had not been invited to the recent discussions with Marchionne. In a written statement, the CGIL leadership deplored the fact "the opportunity to resume a serious dialogue" had been missed. "The decision by Fiat to deepen the break with the CGIL is worrying, because it shows that they are not willing to pursue dialogue," the union states.

On the same day, CGIL spokesman Vincenzo Scudier called for a "round table on the future of the factories in Italy"—a clear offer to cooperate with Fiat.

The petty-bourgeois left

Above all, the petty-bourgeois left, which is fragmented into several dozen organizations in Italy, is trying to portray FIOM as a militant alternative to the other unions, which are more willing to consent to collaboration.

For example, *Controcorrente*, which belongs to the *Committee for a Workers International* (CWI), claims that FIOM represents today, "the only force responding decisively to this development and which has shown resistance to Berlusconi and Marchionne."

This is not only wrong, but is also a deliberate attempt to divert attention from the *political* issues facing the workers at Fiat, in Italy and in Europe.

Marchionne, an experienced businessman, who has worked as a lawyer and manager for companies in Canada, the USA and Switzerland (Alusuisse, Lonza, UBS) is not acting alone at Fiat. Behind him are the employers' association Confindustria and the Italian government.

The chairman of Confindustria Marcegaglia supported Marchionne's actions at Fiat with the words: "I am definitely for this and have supported Fiat from the start." Labour Minister Maurizio Sacconi has also repeatedly intervened in the discussion in favour of Fiat.

The ruling class sees the new working conditions at Fiat as a model for Italy, which is in deep crisis. The country is deep in debt, and the global currency war is making conditions for Italy's export industries far harder. In April, the government presented an austerity budget of 24 billion euros; a total of 300,000 jobs are threatened. Unemployment is rising, while youth unemployment is 26.8 percent.

The ruling class is trying to overcome the crisis at the expense of working people, and Marchionne is pioneering the attacks.

The *Financial Times* even compared the Fiat boss to the former right-wing British prime minister and "Iron Lady" Margaret Thatcher: "Mr Marchionne's ultimatum to unions—accept the deal or Fiat will leave—has even prompted some in Italy to ask whether his plan could represent a 'Thatcher moment' akin to the former British prime minister's defeat of the coal miners in 1985."

Fiat workers can only defend their rights and working conditions if they free themselves from the control of the trade union apparatus and mount a political struggle against the ruling class and its government.

But this is just what the unions, the opposition parties and their followers among the petty-bourgeois left want to prevent. Although Prime Minister Berlusconi is highly unpopular and mired in scandals, they oppose a campaign to bring down his government. They leave the initiative to Gianfranco Fini, the former fascist, and a coalition partner of Berlusconi. In this way they disarm the working class and create conditions under which the ruling class can bring a new government to power, which can proceed against working people more consistently and energetically than the discredited Berlusconi.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact