

New wave of job cuts at Italian Fiat plants

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Fiat plans to close two of its auto plants in Italy by the end of the year—Sicily's Termini Imerese site and the Irisbus bus production site near Naples. This decision affects about 3,000 workers and their families: 700 employees of Irisbus in Campania plus 300 contract workers, and 1,300 Fiat workers in Sicily plus a further 800 workers at the supplier companies.

Termini Imerese has been under the threat of closure for years. Already in 2009 Fiat boss Sergio Marchionne declared that production at the Sicilian plant was unprofitable. There were repeated periods of short time working and production stops with workers forced to live on paltry state compensation payments (*Cassa Integrazione*). Now Fiat wants to close the Sicilian plant at the end of this year.

The workforce at the plant has been involved in industrial action since the summer holidays. Workers occupied the factory gates around the clock and are determined to defend not only their own jobs, but also the jobs of affiliated supply workers. They have blocked the railway tracks and roads, organized demonstrations and called upon the entire region to rally in Palermo.

On September 14, representatives from the three major engineering unions (FIOM, FIM and UILM) held a rally in Palermo and verbosely proclaimed their intention to save jobs. At the same time, however, the union bureaucrats have been in prolonged negotiations with national and regional government regarding the sale of the company property and machinery parts.

On 5 October, the minister for economic development, Paolo Romani, and the regional governor of Sicily, Raffaele Lombardo, presented their most recent, reckless business plan. After proclaiming for months plans for a new solar park and a TV and film studios on the island, the latest information is that the property of Fiat is to be taken over by the DR auto company.

The DR Group is wholly owned by Massimo Di Risio and currently builds three models for its Chinese partner, Chery. Di Risio has promised that in four years time Termini Imerese would be producing 60,000 cars (i.e., half the current capacity) with 1,300 workers. The newspaper of the employers' federation Confindustria, *Il Sole 24 Ore*, immediately wrote: "Di Risio saves Termini Imerese".

An opposing view was published by the internet publication LiveSicilia.it under the headline: "Fiat: the great DR-bluff", declaring that the proposals of the DR Group should not be taken seriously. The DR plans then triggered a wave of scepticism.

The sales figures for the DR Group are declining and the company is in debt. With its acquisition of Fiat Termini, Imerese di Risio could immediately pocket forty million euros in the form of public, non-repayable grants from the region of Sicily, as well as more generous bank loans. The suspicion is therefore that the company is seeking to use its proposed take-over of the Fiat plant to save its own neck with public money.

The 685 workers at Irisbus are also fighting for their jobs. The plant in Valle dell'Ufita in the province of Avellino is part of the Iveco Group, formerly a French-Italian joint venture between Renault and Fiat, and now one hundred percent in the hands of Fiat's commercial vehicle division.

The Irisbus workforce was dismissed three months ago and has been forced to live on state payments from the state *Cassa Integrazione*. The plant has been guarded round the clock since September.

On 15 October a confrontation took place with the police, when three car transporters turned up at the factory to transport fifteen buses from the Irisbus factory to Turin. About 150 workers prevented this taking place by setting up barricades of cars and bales of hay. When police proved incapable of intervening, three divisions of riot police were called up to free the way for the transporters, using excessive force.

The nerves of the workers are on edge. Already on 21 September another confrontation took place with the police in Rome when a delegation of workers sought to demonstrate outside the parliament. The workers, including women and elderly persons, were forced by armed forces into a side street where they were surrounded and held for hours.

Both factories, Irisbus and Fiat Termini Imerese, are important industrial sites in southern Italy. They were set up forty years ago, in the early 1970s, in the Italian south, to counter huge unemployment. Today this region is characterized by abject

poverty. Youth unemployment is three times higher than in the north, and most of those reckoned to be poor in absolute terms, of which there are over one million in Italy, live in the south.

At the same time, an extremely rich layer has developed at the top of society. In the second quarter of 2011 Fiat increased its profits by more than 22 percent, to a large extent due to the increased sales of luxury models such as Ferrari and Maserati.

The closure of a number of Fiat factories in southern Italy demonstrates the complete bankruptcy of the policy of reformism as propagated by the Italian Communist Party in the post-war period. In a “historic compromise” with the supposedly progressive wing of the bourgeoisie, the PCI sought to clip the wings of capitalism on the basis of reforms and public investments. In 1974 PCI leader Enrico Berlinguer had declared that the “main goal of the PCI” consisted in the social development of the *mezzogiorno* (Southern Italy).

This is all long in the past. Today, the trade unions that emerged from the milieu of the PCI, the CGIL and the engineering FIOM, work closely together with management in order to implement the company’s jobs and wage cutting plans at the expense of the workforce.

FIOM has announced an eight-hour strike throughout the Fiat group and a national demonstration in Rome for 21 October. The main aim of the strike is to protest the withdrawal of Fiat Group from the employers’ association Confindustria. Fiat CEO Sergio Marchionne has announced his resignation from the federation for the end of this year, declaring the right of the group to establish individual contracts in each of its factories.

Marchionne has already implemented new labour contracts as part of the Fiat project “Fabbrica Italia”. The new contracts involve longer and more flexible working hours, shorter breaks, no-strike rules and the abolition of many traditional rights. Similar contracts have already been introduced in the company’s factories in Turin-Mirafiori, Melfi and Pomigliano D’Arco. Their introduction was associated with cumbersome referendums aimed at overturning the existing national contracts.

Maurizio Landini, the national secretary of FIOM, now fears that the company will refuse to recognise FIOM as a representative of the workforce. This would mean a complete undermining of the union’s influence, its official posts and above all an end to its lucrative source of income in the form of membership dues.

The second demand of the strike of 21 October is that “Fiat remains in Italy”. FIOM thereby defends a completely nationalist standpoint. The union is concerned because the most recent balance sheets show that the largest proportion of Fiat profits was made outside of Italy, in the US, Brazil or Poland. Sergio Marchionne, Landini fears, could ultimately leave the country

altogether.

For both FIOM and CGIL, the problem is not the intensification of capitalist exploitation. They refuse to organize cross-border solidarity to defend jobs and conditions and favour lower wages and poorer working conditions in Italy on condition that redundancies are carried out elsewhere. They play off one site against the other and in so doing play into the hands of the company.

This is also illustrated by the fact that in September the CGIL secretary Susanna Camusso supported the “Manifesto to rescue Italian entrepreneurs” published by Confindustria. On 24 September Camusso issued a CGIL press release with the title: “Confindustria and CGIL create anti-crisis pact for the “salvation of Italy”.

The unions are working together with the Democratic Party and the employers’ association in order to overcome the financial crisis. Already in July, a number of unions, including the CGIL, signed a pact that includes a no-strike clause. Far from defending jobs and the basic rights of workers, the unions completely subordinate workers to the needs of Italian big business and gag the working class, thereby contributing to their intensified exploitation.

The jobs and rights of working people can only be defended by establishing a new leadership which defends the interests and needs of the international working class rather than the interests of the Italian bourgeoisie.



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