

Italy's Fiat terminates collective bargaining agreements

Marc Wells**2 December 2011**

The unilateral decision by Fiat's CEO Sergio Marchionne to terminate all collective bargaining agreements starting in January 2012 is an historic attack on basic achievements won by workers over decades of bitter struggle.

The move followed Marchionne's decision to withdraw Fiat's membership from Confindustria, the industrial employers' federation, in order to free the Italian auto maker from any national pay and workplace standards in future negotiations.

In October, Marchionne reiterated his threat to shut down all production in Italy if workers did not accept sweeping concessions. "Fiat cannot afford to operate in Italy in a context of uncertainties that separate it from existing conditions in the rest of the industrialized world," he declared.

To a great extent, the Fiat boss is using the low-wage benchmark set by the United Auto Workers union at Fiat's Chrysler operations in the US to destroy the conditions of Italian workers.

Fiat plans to extend throughout its Italian operations conditions already imposed on workers at the Pomigliano factory near Naples and the Mirafiori plant in Turin. In particular, it wants to abolish national collective bargaining in favor of company-specific and plant-by-plant contracts, undermine the right to strike and impose longer working hours, including on weekends. It also wants to limit on-premise labor representation, establish stricter rules for sick leave and shorten break periods.

As in its US Chrysler plants, Fiat also wants to establish low wage "tier-two" jobs and bring in American-style "labor flexibility," enabling it to fire workers at will for economic reasons and use mass layoffs to bludgeon workers to accept wage cuts and other concessions.

The slew of austerity measures implemented by the former Prodi and Berlusconi governments as well as the current "technocratic" administration of Prime Minister

Mario Monti are also being used to undermine job security and working conditions and reduce workers to the status of casual labor.

Fiat executives have made it clear they plan to exploit the economic crisis to restructure their global operations and boost profits. Speaking to industry analysts in October, Fiat Chairman John Elkann boasted that the company would use the crisis to "recalculate its priorities and grab opportunities," as it had with the takeover of bankrupt Chrysler in 2009.

The first casualty of the industrial plans of the government and Marchionne, cynically dubbed the "Fabbrica Italia" project, was the closure of the 41-year-old Termini Imerese plant in Sicily last week.

After years of harsh battles against the plant closing, workers were offered a pittance (so-called mobility incentives) and early retirement packages (an average of €22,850 or \$30,450 per worker) before being thrown out the door. In the economically depressed area of southern Italy, where few if any opportunities are available, the plant closing will produce misery for thousands of families. At the cost of €21.5 million, Fiat was able to wash its hands of 640 families and shift production to areas that guarantee lower costs and higher returns.

"It's all over, there's no more future, there's nothing," Francesco Li Greci, who spent 34 years on the assembly line, told the local media. Another worker lamented, "Mr. Marchionne doesn't know the damage he's done. What are we going to do with our families?" His colleague added, "I have heart problems after 36 years in here. They treated us like dogs."

Marchionne has been well compensated for his attacks on workers, pocketing €3.1 million (US\$4.2 million) in 2010. But he could never have done so much damage without the complicity of the trade unions, which forced workers to accept the company's blackmail demands.

The agreement signed last June by the main labor

confederations CGIL, CISL, UIL and by Confindustria (which then still included Fiat) laid the basis for Marchionne's latest move (see "One-day national strike in Italy against austerity measures") by accelerating the process of "restructuring" labor relations.

The CISL and UIL unions have openly backed Marchionne's decision to abrogate the national agreements. CISL secretary Raffaele Bonanni reassured the CEO "we will not strike against Fiat," while UIL's Luigi Angeletti praised the termination of agreements for "giving life to a new contract that will relaunch the auto industry in our country."

Their position on the closure of Termini Imerese is also telling. Bonanni welcomed the overtures made by other investors, such as DR Motor owner Massimo Di Risio, who have been salivating over the prospect of imposing poverty wages in exchange for acquiring and operating the plant.

In a statement revealing his subservience to capitalism and the dead end of nationally based trade unions, UIL's Angeletti declared, "in the age of globalization jobs can be defended only if one's competitive."

The role of FIOM-CGIL—which is traditionally associated with the Stalinists of the former Italian Communist Party (PCI)—is even more treacherous. In the end, it supports Marchionne's course like the other unions but is also positioning itself to head off any resistance by workers. On the one hand it poses as a militant union, while on the other the FIOM-CGIL signs away the future of workers.

Termini Imerese is a case in point. After calling a series of isolated strikes for workers to let off some steam, the FIOM-CGIL not only signed the final deal, but also helped reduce severance packages in another concession to the employers. FIOM leader Enzo Masini bragged, "To show responsibility to workers, we are willing to reduce the incentives."

As if that weren't enough, in an official communiqué, CGIL officials praised the work of banker Corrado Passera, the new minister of economic development in Monti's government, "for building a solution based on the respect of all the interests involved." In other words, the union entrusts a government of bankers appointed undemocratically by the European Central Bank.

Like UIL's Angeletti, CGIL's subordination to the capitalist system is obvious in its attitude toward DR Motor. "Now we need the buyer to confirm its ability to start production and launch the plant," it declared. That the new company-specific agreement will pay a fraction

of the old wages is not mentioned by the CGIL.

In fact, the FIOM-CGIL supports Marchionne's decision to terminate collective agreements. Its only condition is that the union apparatus retain its legally sanctioned position in order to police the workforce and continue to collect union dues.

National Secretary Susanna Camusso made this clear, saying, "If Fiat's decision to apply the Pomigliano contract in all plants is true, it would be useful to create a common front with CISL and UIL to defend the guarantee that unions are present on job sites and are free to exercise their prerogatives."

The union executives' main fear is that Marchionne's decision could provoke a rebellion by workers that they would not be able to control. With the support of the Italian pseudo-lefts, from the Democratic Party to the Pabloites in Sinistra Critica, FIOM leader Maurizio Landini appealed to the bankers running the state, saying, "The new [Monti] government must tell us what its position is on the Fiat case."

Earlier this week, all of the trade unions, including FIOM, sat down with Fiat to begin negotiations for a new contract. The very fact that a post-collective bargaining deal is being discussed is a confirmation that the unions are moving to impose conditions that will resemble or be even worse than those imposed on workers in the US.

In the name of national "competitiveness" the auto unions on both sides of the Atlantic are competing to see who can impose the deepest wage and benefit cuts on their own members. This only underscores the need to break with the nationalist and pro-capitalist organizations and unify auto workers around the world against the demands of the corporations and the banks.

What can be expected in Italy is that the Pomigliano and Mirafiori contracts will become the new norm. This will not stop with the auto industry: the new government is preparing an initial €25 billion austerity package that will attack pensions, public education, social services—all in the name of greater productivity and efficiency. These are catchwords to disguise the class character of these brutal measures, which will impoverish working people and enrich the very bankers responsible for the crisis.



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