

Hire-and-fire labor reform: A historic attack on the Italian working class

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On Friday, the Italian Cabinet approved a reform advanced by the unelected government of Mario Monti, originally meant as a decree then changed into a draft, to scrap Article 18 of Italy's labor code.

Article 18 is an important conquest of the working class in the post-war period, providing job security for workers in firms with over 15 employees. It requires such firms to rehire, and not simply compensate, workers found to have been dismissed "without just cause." Polls have found that a majority of Italians oppose scrapping Article 18.

If the bill is passed by the parliament, companies will not be obliged to reinstate workers, but will be asked to pay an indemnity between 15 and 27 months worth of wages, with no more obligations. This will allow companies to lay off workers without proving there are compelling "economic" reasons for doing so, in exchange for what would effectively be a minimal severance package.

The bill also contemplates an "abbreviated trial procedure" aimed at limiting costs to the state of wrongful dismissal suits. A slight modification under discussion would give judges full power to evaluate whether to reinstate a worker or not. The conditions are thus being created for the courts to issue summary verdicts in favor of employers seeking to dismiss their workers.

In an attempt to divert from the core issue—that is, businesses' desire to fire workers at will—various government representatives have stressed that "discrimination" (over religious beliefs, sexual orientation, gender, etc.) will still be illegal. However, this simply ignores the fact that the main reason businesses want to fire workers is economic.

In a statement showing the essentially dictatorial character of his government, Prime Minister Monti

warned he would proceed despite popular opposition to his reform: "No one shall fool oneself that external forces can intervene to change the content... It is the task of the parliament whether to approve it or not."

Labor Minister Elsa Fornero praised the bill: "It is a good reform, with a relatively high indemnity [for workers] ... This is a 'bet' on the market to make the Italian economy more attractive for those companies that are closing here to re-open in Serbia. I would like entrepreneurs to say, 'It's possible to invest in Italy.'"

This begs the question of the conditions under which capitalists will choose to invest and hire workers in Italy instead of Serbia. In Serbia, workers earn roughly €400 (US\$530) per month or less. With youth unemployment in Italy at 30 percent, eliminating Article 18 would give businesses a powerful incentive to fire higher-paid older workers and hire young people at wages rivaling the ultra-low levels of their oppressed class brothers in Eastern Europe.

Workers in a number of key firms walked out and mounted protests in response to the announcement of the labor reform. Fincantieri shipbuilding workers in La Spezia and Genoa went on strike and occupied a factory. Aerospace workers at Alenia blocked traffic in Turin, petrochemical workers in Priolo, Melilli, Augusta, and Caserta (near Naples) went on strike, and workers at scooter manufacturer Piaggio blocked the Florence-Pisa-Livorno motorway.

Amid escalating anger in the working class, the Stalinist General Confederation of Italian Labor (CGIL) union and its affiliated FIOM metalworkers' union are calling for strikes. However, this is primarily a measure to prevent working class opposition from escaping the control of the unions, which have negotiated the bill with the Monti government. When Monti began negotiating the reform last December, he insisted that

he wanted “to implement measures on which the unions and employers can agree.” (See “Italian government attacks labour protection laws”.)

Now CGIL leader Susanna Camusso is trying to present a “left” face and issue statements criticizing the reform. Last week she commented, “It would be good to ask why there have been so many protests in the country and why there will be many more in the next period.”

Camusso deceitfully presents her cynical objections to the elimination of Article 18 as if the measure were designed to raise living standards and economic growth. Thus she said, “We don’t believe that a bill can be a startup for [economic] growth, instead this can be done only through investments.” In fact, the drastic lowering of living standards of the workers is precisely what investors will require, in order to invest further in Italy with the guarantee of maximum profits.

FIOM, like the CGIL and the others, is working relentlessly with the government to implement all the necessary attacks on the working class to make investing in Italy more attractive. Thus, a communiqué on FIOM’s web site described a meeting between the CEO of multinational telecommunications firm Alcatel, Ben Verwaayen, and the minister of economic development, the ex-banker Corrado Passera. Passera opposed Alcatel’s outsourcing plans and stated his commitment to make Italy more attractive to foreign investment.

FIOM’s communiqué stated that the union “considers important the path initiated by the minister of economic development for the individuation of an industrial plan to revitalize investments, work to keep multinational companies in our country, and to keep and promote skilled labor.” FIOM is silent on the implications of this position, however: if it supports the government’s policy, it logically supports wage and benefit cuts to generate the promise of high profits and attract investment to Italy.

This underlines the critical importance of the organization of a struggle by the working class independent of the union bureaucracies and the political establishment, which supports the bill.

Monti is relying on the support of Italy’s bourgeois “left” parties—which backed his installation last year at the behest of Europe’s major banks—to ensure that the bill will not encounter any opposition from within the

political establishment. Democratic Party (PD) Secretary Perluigi Bersani endorsed the bill, adding that “there are good aspects and some to be corrected.”

Deputy PD leader Enrico Letta, a vocal supporter of scrapping Article 18, made clear in an interview with the *Financial Times* that the PD’s support is critical to passing the reform. “If the PD collapses, it will also be the collapse of the Monti government,” he said. “For this strange experiment [with an unelected Monti government] to work, the PD must remain a pillar of unity.”

Roberto Pessi, a labor law expert at Rome’s Luiss University, downplayed the threat to the ruling class posed by actions proposed by the CGIL: “No revolution. Maybe a general strike for image purposes.”



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