

Fiat truck subsidiary Iveco to close five plants in Europe

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Workers at Fiat's truck subsidiary Iveco have been involved in a fight for their jobs for some months. The Italian car maker plans to close five European plants in its truck division by the end of this year. The Fiat board has justified the closures by citing the economic contraction in southern Europe and a sharp drop in truck sales.

The closures affect 1,075 employees. In Germany, three plants are due to close in Ulm, Weisweil and Görlitz. In addition, Iveco production facilities will be closed in Chambéry, France and Graz, Austria.

The closures are part of a radical rationalization program undertaken by Fiat in Europe. Earlier, the company closed its bus manufacturing facilities in Avellino, Italy and Barcelona, Spain. In May this year, Fiat's fire truck subsidiary Camiva announced the closure of its factory in Saint-Alban-Lessey in Savoy. Iveco took over Camiva from Renault in 1997.

The closures were "painful but necessary", the Fiat Group executive declared, while announcing at the same time that Fiat Industrial had increased its profits in the first quarter of this year by more than 90 percent, to 207 million euros, compared to the same quarter last year.

The decline in production at a number of European plants is associated with a stronger focus by Fiat on the American market. Iveco has no presence in the US market, but through its collaboration with US auto maker Chrysler—majority owned by Fiat—Iveco will have access to the distribution network of Ram trucks. Fiat can then sell selected Iveco trucks in the US under that name.

Fiat CEO Sergio Marchionne is playing a key role in imposing American standards in the European car industry. Last year, Fiat closed its plant in Sicily, imposed significant wage cuts in other plants, shortened holidays at the Pomigliano plant near Naples, and expanded short-time working throughout the group.

Now the Fiat truck section is to be drastically downsized. In May, Iveco CEO Alfredo Altavilla announced the relocation of much of the production facilities at the plant in Ulm, Germany to Spain, axing 670 jobs.

In its restructuring program, the Fiat executive works closely with the IG Metall trade union and its affiliated works councils. Management uses the readiness of the unions to strike a deal to carry out increasingly harsh attacks on workers, which IG Metall officials then dutifully criticise.

Their criticisms of the company executive, however, are limited to appeals to management to observe the rules of "social partnership" and not jeopardise its relations with the union apparatus. At the same time, the union pursues a policy of playing off one factory against another in a downward spiral of wages and working conditions.

When it was announced on May 7 that part of the production facilities at Ulm were to be closed and relocated to other plants, IG Metall and the Ulm Works Council responded by praising the top company management in Turin for not closing down the factory completely. According to the union, 670 sacked workers was "socially acceptable" and represented a "satisfactory deal". The union officials cynically

declared that the relocation made it possible “to find a solution in which the interests of employees are taken into account at all locations”.

What this really meant emerged a short time later. While workers at a number of plants were concerned about the future of their jobs, IG Metall and the works council in Ulm undertook separate negotiations on job cuts. On July 5, local IG Metall officials issued a statement headed “Sigh of Relief in Ulm”, which claimed that management wanted to avoid direct layoffs at the facility.

In the ensuing weeks, IG Metall and the works council played a central role in organising layoffs. In Ulm, this is to be achieved through so-called “exit models for older workers” and “voluntary termination agreements”.

The “voluntary” nature of such agreements was revealed by a local IG Metall representative, Ahmet Karademir, who admitted to the *World Socialist Web Site* that such termination agreements “can only be refused in theory”.

At the end of September, 380 workers lost their jobs in Ulm. Up until this date, the workers' supposed representatives had done everything they could to prevent protests or industrial action and maintain production. Works council member George Hepp justified this policy by declaring that the staff wanted to show “they were willing to work”.

IG Metall similarly rejected any principled defence of jobs at the Weisweil plant. Weisweil is a small town on the Rhine, with just over 2,000 inhabitants. Of the 500 jobs in the town, 180 are at the local Iveco plant, and many other workers are dependent on the existence of the factory.

On September 12, IG Metall and the works council presented their demands. The layoffs were to be organised via an “employment company” whose task would be to provide workers with some sort of employment for a period of three years. Under conditions of a deepening economic crisis in Germany, this amounts to transition to long-term unemployment.

The Iveco board turned down the proposal and organized a surprise coup. On September 28, a number of trucks and vans drove into the works at Weisweil to move out the production facilities.

IG Metall and the works councils immediately came under pressure from the workers. They organised a blockade of the factory gates, forcing the trucks and vans to withdraw.

Despite the fact that the incident revealed the readiness of workers to wage a serious struggle to defend their jobs, the union immediately called for arbitration with the aim of reaching a rapid settlement with the company.

A local IG Metall leader told the WSWs that he and the head of the works council at Weisweil had already agreed on an arbitrator and a so-called “settlement approval process”. The man appointed as arbitrator is Joachim Kienzle, who until recently held the post of managing director of the local Engineering Employers Association. There is no doubt where his sympathies lie.

Iveco workers at Weisweil, Ulm and the other plants face the same problem as workers throughout Germany and internationally: the corporatist collusion between unions and management to suppress any serious struggle to defend jobs.

The occasional criticisms of management by the union are just window dressing. The councils and union officials are in the same boat as management. No less than five union bureaucrats sit on the board of Iveco in Germany, enjoying handsome perks in addition to their regular salaries.



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