

Attacks on wages and jobs at Electrolux in Italy

Our correspondents
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The Swedish home appliances corporation, Electrolux, is threatening to close its plants in northern Italy and relocate to Poland unless labour costs are dramatically reduced. The management announced its ultimatum to trade unions in the Venice quarter of Mestre on Monday, January 27.

Currently, there are still four plants maintaining approximately 5,000 jobs in northern Italy: in Porcia, Susegana, Soaro and Forlì. The Swedish Electrolux group acquired the Italian company, Zanussi, in 1984.

The plan represents a brutal assault on the living standards of workers at Electrolux. The plant in Porcia (Pordenone), employing 1,300 workers, is threatened with closure and several hundred additional jobs will be cut elsewhere.

Wages are to be reduced and working hours simultaneously shortened from 8 to 6 hours a day, amounting to a pay cut of 40 percent. Christmas bonuses, company bonuses and retirement allowances will be abolished, breaks reduced by half and production line work accelerated.

Management claims that production in Porcia in particular is no longer competitive and costs will have to be reduced by 30 percent in order for Electrolux to have any chance at all on the world market.

It is argued that prices of household appliances produced in Italy are no longer competitive on the global market, where Polish Electrolux employees work for €7 (US\$9.50) an hour. Electrolux intends to continue production in northern Italy only when labour costs are drastically curtailed.

Since Tuesday last week, hundreds of workers in Porcia have been gathering at the factory gates every day to protest against the plans. Production has been sporadically interrupted and equipment deliveries have been blocked. Female workers told the press they will

be left with only about €800 a month, after their normal wage of €1,350 has been slashed. “That’s not enough for us to live on,” said one of the female assembly line workers.

But the workers have no organisation to represent their interests in a struggle against these attacks. Although the unions denounce the attack with sharp words, they basically share the viewpoint of big business, and focus on appeals to the government of Enrico Letta.

Rocco Palombella, secretary of the UILM Christian trade union, complained that it was “apparently a time for a bitter struggle to the death. The government, if one actually exists, is hardly ever to be heard.” Similarly, a delegate of the RSU alternative trade union said, “We’ve been wasting our time waiting for a meeting with the minister for economic development, Flavio Zanonato. Now we’re going straight to Letta”. Their thinking is that because Electrolux received taxpayers’ money and perks when it set itself up in Italy, the government should now demand that it soften its tone.

The attitude of the trade union representatives toward the Letta government clearly shows they believe it is now a matter of creating competitive conditions to encourage the corporation to remain in Italy—an outcome that will be entirely at the expense of the workers. They are determined to ensure that such a deal is reached.

Maurizio Landini, secretary of the largest metalworkers’ union, the FIOM, appealed to Enrico Letta in an open letter on January 29, imploring, “Your intervention is imperative and urgently required. The Electrolux dispute goes beyond the usual balance of interests between [contracting] parties”.

Landini knows full well that the Letta government is

currently working to revamp Italian production conditions to the advantage of the business world. Just one day after receiving the open letter, Letta met with the representatives of business and the banks, and announced, “We started the year with a significant reduction of labour costs, but we obviously need to do much more. Italy must be a credible player on the global markets.”

Representatives of the Confindustria and Unindustria employers’ associations have long been calling for a reduction of labour costs in Italy. Michelangelo Agrusti, the Unindustria president of Pordenone, called for an emergency plan to enforce an “indispensable and substantial cut in labour costs”.

The minister for economic development, Flavio Zanonato, publicly acknowledged his agreement with Electrolux management. He said he was able to understand the corporation’s argument: “Italian electrical household appliance products are of good quality, but they result in high production costs, especially labour costs that exceed those of our competitors”. He asserted therefore, that it was necessary “to reduce production costs in Italy, especially the cost of labour”.



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