

Automaker Fiat shifts headquarters out of Italy

Marianne Arens**12 August 2014**

At the beginning of August, Fiat shareholders voted in favour of a merger with US automaker Chrysler, deciding at the same time to move the headquarters of the new firm, FCA (Fiat Chrysler Automobiles) from Turin to Amsterdam. For tax purposes, FCA will be based in London and will also trade shares on the stock exchanges in New York and Milan.

A firm had to be based where it has the easiest access to capital and liquidity, commented Fiat chief executive Sergio Marchionne on the sidelines of the Detroit auto show in January. In a deal with the UAW trade union in the US shortly prior to this, Fiat purchased Chrysler's remaining shares for close to \$4.5 billion.

With the departure of Fiat's headquarters from the legendary Turin district of Lingotto after more than 115 years, an era has come to an end. Only a quarter of a century ago, Fiat still employed 125,000 in Italy, working in 18 car plants, 17 utility vehicle factories and 33 factories supplying auto parts. Today, out of a total of 220,000 FCA workers, just 60,000 work in Italy, including 24,400 factory workers in six assembly plants.

It is clear that the withdrawal of the headquarters and the restructuring of the company will inevitably bring new attacks on workers in Italy, the US, Poland, Brazil and other countries. For some time, Fiat's Italian plants have only been running at 40 percent capacity, and plant closures and mass layoffs are threatened, while worldwide, speed-up and intensified exploitation are imminent.

The Italian trade unions supported the merger of Fiat and Chrysler, which is to make the company the seventh largest automaker in the world. Their initial comments illustrated their position as an important junior partner of big capital.

The positive thing about the merger, according to

national secretary of the UILM union Giovanni Sgambati, was that it "made Fiat a stronger brand on the world market ... Fiat will become a global player with Chrysler." FIM trade union regional secretary Giuseppe Terraciano stated that the merger was important "because the new concern is not just focusing on Europe and Italy, where stagnation continues to predominate."

For years, the trade unions have been actively involved in dismantling the social achievements of the post-World War II period.

In summer 2010 at the Pomigliano d'Arco Fiat plant near Naples, a new labour contract was introduced which superseded the national contract for metal workers. At the beginning of 2011, the plant agreement was adopted at Fiat's main Mirafiori plant in Turin, and the company's other facilities. It made possible the concentration of labour into a handful of plants.

Since then, Fiat's Termini Imerese plant in Sicily and the Irisbus plant have been shut down, with the loss of 1,400 and 700 jobs respectively, and production reduced and concentrated in the Mirafiori, Cassino and Pomigliano factories. More than 10,000 Fiat workers have at times been on reduced hours in recent years, or on zero-hour, short-term contracts, living on €800 monthly from the state-funded Cassa Integrazione.

The new contracts have produced a vast intensification of speedup. Fiat now regularly works Saturday and Sunday shifts. Shifts have been lengthened, breaks reduced, contractual overtime tripled, the lunch break moved to the end of the shift, practically eliminating it, as well as relentless time restrictions for each task to be performed.

There have been countless strikes and protests against the new contracts and layoffs over recent years. The various metal workers' trade unions led them all in to a

dead end.

On July 12, the trade unions agreed to a partial contract promising the workers a pay increase of €20 per month. This was a transparent manoeuvre to avert protests. The minimal wage increase is also tied to productivity increases.

Along with the slashing of wages and jobs at Fiat and other companies, the trade unions are organising the attacks on the social and democratic rights of workers on the national stage.

On January 10 this year, the three main trade union federations, CIGL, CISL and UIL, agreed to a no-strike deal with the employers' organisation Confindustria. The "agreement on representation" established the framework for corporatist collaboration between the trade unions and employers. It followed an earlier agreement from May 31, 2013 which explicitly supported Confindustria's growth plan from 2011.

The plan for growth of the Italian employers' organisation, which has been systematically implemented by successive governments led by Berlusconi, Monti, Letta and Renzi over the past four years, is striving in the long term to implement the following goals: (A) increase the retirement age to 70, (B) reduce pension and healthcare contributions, (C) privatise public property to ease state debt, and (D) privatise services run in the past by the state such as education and healthcare.

The "agreement on representation" not only contains a no-strike clause, but also the review of contracts currently in force and their redrafting at plant level. Only those trade unions which have signed this agreement are recognised as having collective bargaining rights.

It is significant that this agreement was not only signed by CGIL chairwoman Susanna Camusso, but also FIOM chief Maurizio Landini, who is described by petty-bourgeois groups as a "left." FIOM called in votes for opposition to the corporations' plans, but led no struggle, and as the WSWS reported, cooperated silently in the imposition of new working methods.

FIOM is firmly in favour of expanding luxury brands at Fiat (Ferrari, Alfa Romeo and Maserati). Grugliasco, the Bertone plant where the Karrossero is manufactured and which is threatened with closure, is currently being converted in to a modern Maserati plant. In May 2011, FIOM secured the implementation of the new plant

contract at Bertone, the union's traditional stronghold. This was the price for Fiat agreeing to concentrate Maserati production at this location.

On February 24, 2012, FIOM leading member Georgio Airaudo confirmed to the *Corriera della Sera* newspaper that there had been numerous secret meetings with Fiat chief Marchionne, organised by then Turin mayor Sergio Thiamparino, (Democratic Party). "There were several meetings. They took a long, long time. We said everything that had to be said," he said. FIOM made various compromise suggestions for the plant at the time to the Fiat chief, since FIOM controlled an absolute majority of plant representatives.

A short time afterwards, Marchionne announced the building of a new Maserati production facility at Grugliasco at a cost of €1 billion. The pressure on workers producing the luxury vehicle has since intensified so much that on June 23, several hundred workers protested in a one hour strike, demanding the hiring of 500 colleagues from the Mirafiori plant where reduced working has been in operation. Marchionne flew immediately to Turin to demand that the trade unions enforce the no-strike guarantee they had promised.



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