

# Alitalia bankruptcy exacerbates social tensions in Italy

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The Italian airline Alitalia filed for bankruptcy on April 25. One day earlier a workforce referendum on a restructuring plan was voted down. Two-thirds of Alitalia pilots, flight attendants and ground crew rejected the planned job cuts and pay cuts.

All of the trade unions represented at Alitalia had previously agreed to the restructuring plan, which amounted to little more than extortion. In addition to the major trade unions Cgil, Cisl Uil and UGL, the professional unions Trasporto Aereo, Anpac and Anpav also participated in the vote.

The company's shareholders refused to invest a single cent in the airline until the workforce agreed to cuts. The main shareholder with 49 percent of shares is Etihad Airways (Abu Dhabi); the remainder are held by the Italian consortium CAI, headed by Unicredit and Intesa Sanpaolo.

Alitalia CEO Luca Cordero di Montezemolo announced his resignation from the company board a few weeks ago. The multimillionaire, who had previously led Fiat, Ferrari and Maserati, had negotiated a rescue plan with the Ministry of the Economy and trade unions. The plan envisaged pay reductions of eight percent and the slashing of nearly one thousand jobs. Other reports referred to 1,700 job cuts, especially among ground crew. Indirectly, the measures impact over 20,000 employees at subsidiaries, suppliers and third-party companies, for example Alitalia Cargo, CityLiner, Carpatair etc.

The unions sought to portray the cuts plan as the best possible option following negotiations. Then to the surprise and consternation of the management, trade unions and government, 67 percent of the 12,500-strong Alitalia workforce rejected the restructuring plan.

It now appears that the government of Paolo

Gentiloni is ready to accept Alitalia's bankruptcy. It has deliberately broken with the practice of past governments. So far, every Italian government, from Prodi to Berlusconi to Monti, had ensured that the state took responsibility for Alitalia liabilities. This policy is evidently at an end.

"The conditions necessary for nationalization are not at hand," declared Premier Paolo Gentiloni (Democratic Party) on television. His economics minister Pier Carlo Padoan said: "The government is not ready to participate in a possible capital increase for the company, either directly or indirectly."

The company now has a lifespan of just six months. During this period, Alitalia is to be put under the control of a bankruptcy administrator and financed with a bridging loan of four hundred million euros. This loan must also be approved by the EU Commission.

Major airlines are already circling Alitalia like vultures anticipating that the company will probably be broken up and sold off. Transport Minister Graziano told the press that they would sell the company "to the best bidders," although any final decision resides with the largest shareholder, i.e., Etihad.

Lufthansa recently emerged as a prospective buyer: The German airline, which took over the bankrupt Swiss Air a few years ago, could wait for insolvency and then take over parts of Alitalia at a bargain price.

Malaysia Airlines has expressed interest in the acquisition of six to eight Alitalia jets. British aviation groups could also try to buy an Italian location on favourable terms in order to have a leg within the EU following Brexit.

Fierce competition on the part of low-cost airlines is already taking place for coveted slots, such as the start and landing rights in Rome-Fiumicino or Milan-Linate.

Some representatives of Beppe Grillo's Five-Star

Movement (M5S), which in 2008 had supported Alitalia going bankrupt, are now calling for the nationalization of Alitalia. Their role models are group holdings such as ENI, Leonardo SpA or Trenitalia, whose main shareholder is the state.

There is nothing progressive, however, in this proposal. Under conditions of capitalist crisis it recalls the nationalization measures of the fascist dictator Mussolini. Under his direction, the state holding IRI was established in 1933. Without abolishing capitalism, much of Italian industry was placed under the direct control of the fascist state. For workers, this process was accompanied by brutal dictatorship and war.

The Alitalia Group emerged from the IRI trust after the Second World War. Up until the 1990s it was a state-owned corporation, and was then gradually privatized by 1996. Since then it has faced bankruptcy a number of times.

Following the stock market crash of 2008, a consortium of Italian companies and banks took over the airline. Five thousand jobs were slashed from the workforce of 20,000. Six years later, Etihad Airways posed as rescuer in need to avert another bankruptcy. The takeover of 49 percent of shares by Etihad in 2014 was accompanied by the radical restructuring of the airline, the destruction of even more jobs and a further worsening of wages and working conditions.

This is the reason why the pilots, flight attendants and soil workers rejected the latest plan. “There is real anger among the workers,” said Riccardo Canestrari, coordinator of the Anpaz pilots union, after the rejection vote. “People are fed up with promises, and the level of trust is now under zero.”

The move to plunge Alitalia into bankruptcy and endanger more than 12,000 jobs is criminal. It reveals the conditions which underlie the continual attacks on jobs, wages and working conditions taking place in every country.

The global competition for profit threatens both the functioning of modern transport systems and the living conditions of the working class. The government openly takes sides with the banks and investors. Having sought to persuade workers to swallow the bitter pill of yet another poisonous restructuring plan, the trade unions are now conspiring to assist management in breaking up the company and tossing what’s left to the vultures.

The fact that the Alitalia workforce withstood pressure from all sides and rejected the restructuring plan, demonstrates its militancy. What is necessary, however, is an international and socialist program that unites workers across borders.

The Alitalia employees have repeatedly resorted to strikes and protests to oppose the attacks on their jobs. Strikes took place in February 2017 and the last one was on April 5. Almost at the same time there were strikes by ground staff in Berlin and at airports in France and Great Britain. These struggles must be united and guided under a socialist perspective with the aim of abolishing the bankrupt capitalist profit system.



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