

# Stellantis relies on unions to set pay scales based on nationality at Serbian plant

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14 December 2025

Under conditions of deepening crisis in the European auto industry, Stellantis has constructed a multi-tier workforce in the Republic of Serbia explicitly organized by nationality, residency and legal jurisdiction. This regime has been established not in opposition to the unions in Serbia, Italy and elsewhere but with their active collaboration. This labor policy concentrates in a single workplace the broader global strategy of driving wages to the bottom by pitting workers of different nationalities against one another.

At the center of the operation is the Kragujevac plant, formerly the Zastava factory, then Fiat Chrysler, now Stellantis. The facility produces the electric and hybrid Grande Panda as well as the Citroën New C3. The factory employs roughly 1,000 workers drawn from multiple countries, each layer paid according to different contracts, laws and currencies.

Before the breakup of Yugoslavia, Kragujevac was a major hub for heavy industry, cars, weapons and machinery, employing tens of thousands. Although the city remains an industrial center, workers have suffered a massive decline in the living standards and working conditions since the collapse of Yugoslavia and subsequent privatizations.

Stellantis' initial wage offer to local Serbian workers reportedly stood at approximately €597 (US\$700) per month. Even in Serbia, where average wages are lower than in Western Europe, this level is inadequate. Living costs (housing, food, utilities and transportation) have risen sharply in recent years, driven by inflation and Serbia's integration into global markets. For workers in Kragujevac, these wages barely cover basic necessities, leaving no margin for savings, family support or emergencies.

The sharp decline in the social position of the working class was presented as the unavoidable price of "competitiveness," with the threat that production would otherwise be curtailed or relocated. The union apparatus accepts this framework, treating poverty pay as a given rather than a point of struggle.

In August, Stellantis escalated this policy by recruiting hundreds of workers from Morocco, Algeria, Nepal, India

and Poland to work in its Kragujevac plant. In October, this was supplemented with another 200 foreign workers. These workers were hired through agencies and often had to pay between US\$300 and US\$800 simply for the chance to obtain the job, a form of legalized extortion that binds them to the employer through debt.

Many of these workers receive far less than Serbian workers. Nepalese workers reportedly earn as little as €300 (US\$350) per month. They are housed in controlled accommodations, dependent on the employer and intermediaries, and often isolated by language barriers. This is the most brutal layer of the wage pyramid, designed to exert downward pressure on all others.

The unions have raised no principled opposition to this system. There has been no demand for equal pay for equal work, no call for unified action, and no exposure of the agency system as a mechanism of super-exploitation.

A politically revealing development is the deployment of roughly 100 Italian workers from Stellantis plants in deep crisis: Pomigliano d'Arco, Melfi, Atessa, Mirafiori, Modena, Cassino and Termoli. These workers were sent to Serbia on a temporary basis, employed under their Italian union contracts, earning as little as €1,200 (US\$1,400) per month.

This arrangement is a form of blackmail for Italian workers. Faced with plant shutdowns, layoffs and wage reductions under Italy's *Cassa Integrazione* (state redundancy funds) schemes, workers are told that their alternative to unemployment or severe pay cuts at home is temporary displacement abroad, far from their families.

An Italian worker who spoke to *Corriere della Sera* described the situation of the group: around 100 Italians living and working in Serbia for weeks at a time, returning home briefly before being sent back again. Stellantis advertises this as a package of "benefits," including the possibility of visiting home every 45 days. In reality, it is a system of forced mobility imposed to maintain profits.

Crucially, Italian workers are not celebrating the fact that they earn more than their Serbian, Moroccan or Nepalese

colleagues. On the contrary, they are acutely aware of the injustice. One worker told RAI tv network that when he saw a Serbian worker's paycheck, "my heart cried out." Another said that the difference in compensation "causes damage," referring to resentment and division created by this, which undermines solidarity on the shop floor.

Italian workers understand that their higher wages are not a gift from Stellantis but the result of legal constraints the company is attempting to evade or dismantle. Despite the treachery of the Italian union bureaucracy, the efforts by the right-wing Meloni government to eliminate such legal restraints has been slowed by worker militancy and popular resistance. So Stellantis simply circumvents current laws by offering temporary jobs abroad, where it can experiment with lower standards and fragmented contracts.

The role of Italy's autoworkers union FIOM-CGIL in this operation is one of complicity. While issuing hypocritical public criticisms framed entirely in nationalist terms, that is, lamenting the "export" of Italian jobs, the union has done nothing to oppose the transfers in practice. It has shown no concern for Moroccan or Nepalese workers and has never challenged the principle of wage differentiation by nationality.

This duplicity is particularly stark given FIOM-CGIL's posture during the December 12 general strike, presented as a show of opposition to austerity and inequality. In reality, the union remains deeply embedded in the state apparatus, repeatedly appealing to the government to funnel workers' tax euros into subsidies for Stellantis, a corporation that has received massive public funds for decades, from FIAT's Agnelli era to Carlos Tavares.

National "protections" have been exposed as a fiction. The union bureaucracy did not stop the transfers. They implicitly accepted wage tiering. Far from "representing" workers as a class, the union apparatus functions as corporate enforcers, administering *Cassa Integrazione*, solidarity contracts and subsidy schemes while global capital reorganizes production at will.

In Serbia, the Confederation of Autonomous Trade Unions of Serbia (SSSS) plays a parallel role. As the heir to the Stalinist structures of the Yugoslav state, it has long acted as a stabilizing and collaborationist force. During mass privatizations, factory closures and the influx of foreign direct investment, including Fiat/Stellantis in Kragujevac, it accepted low-wage competitiveness as Serbia's "development" model.

At the Kragujevac plant specifically, the SSSS-affiliated union is the recognized bargaining partner. It accepted extremely low base wages under the guise of securing production and did not oppose massive state subsidies, wage stagnation or the introduction of de facto wage tiers. Despite

meetings with Italian unions in October, it never advanced a demand for international wage parity or joint action across national lines.

Workers must draw decisive political conclusions. There is no fundamental separation between corporations, the capitalist states and the corporatist labor bureaucracies. Capitalist governments provide subsidies, tax breaks and repression to facilitate corporate restructuring, while corporations exploit national legal differences to divide workers while the unions enforce these divisions.

The union bureaucracies have no intention of waging a struggle against the governments and corporations forcing workers to migrate. Migrant workers are subjected to prejudice and attacks in host countries, while artificial divisions are created between nationality and wage levels. This, of course, is immensely profitable for the corporations.

The Kragujevac experience demonstrates why workers must build new organs of struggle: rank-and-file committees independent of the trade unions and political parties of capital. American Stellantis workers, like their counterparts in Europe and Asia, have endured decades of plant closures, mass layoffs, two-tier wage systems, layoffs and the systematic dismantling of what remained of the postwar boom.

These attacks were imposed with its active participation of the United Auto Workers bureaucracy, whose corruption scandal exposed the union as an arm of corporate management and the state. US workers confront the same essential reality as those in Kragujevac: a global corporate system that treats workers as wage slaves for exploitation and profit.

The way forward lies in the development of the International Workers Alliance of Rank-and-File Committees (IWA-RFC), uniting Serbian, Italian, Moroccan, Nepalese, American and all Stellantis workers on the basis of common class interests. The struggle is not against one company alone but against an entire profit system that depends on wage suppression, forced migration and national divisions. Only through conscious international unity and independent organization can workers oppose the race to the bottom imposed by global capital and assert their collective social power.



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