

## A modern Italian story

by Alessandra Mecozzi

The 28<sup>th</sup> of January 2011 was a beautiful day for Italian metalworkers: 70% participated in the national strike and in 17 demonstrations called by FIOM (the metalworkers union affiliated to CGIL, Italy's largest union confederation). This was a response to the aggressive strategy adopted by Fiat in several of its factories.

Only a few years ago, Sergio Marchionne, Fiat's CEO, declared that as labour cost accounted only for 7% of the company's total costs, there should be no reason to squeeze workers and put pressure on working conditions (interview in *La Repubblica*, 21/9/2006). He used the context of the global crisis to launch a direct attack on workers' rights and conditions, with the aim of dismantling the Italian labour relations system.

### From Pomigliano to Mirafiori: fear as the strategy of choice for Fiat

In April 2010, Fiat presented its strategic plan for 2010-2014, *Fabbrica Italia* ("Factory Italy"), which aimed to increase vehicle production in Italy from 650,000 units in 2010 to 1.4 million by 2014. During the following summer, Marchionne announced that in order to implement the plan, he would consider investing €700 million in the Pomigliano plant (where 4600 workers are employed) and relocating the production of the Panda, currently manufactured in Poland. All trade unions had to sign an agreement entailing worsened working conditions and limiting the (constitutional) right to strike. FIOM declared itself open to negotiating on labour flexibility, but "negotiation" was not the flavour of the day. The agreement was designed unilaterally by Fiat and the unions were given no choice, meaning that if the agreement was not accepted, the investment would not take place.

However, this so-called agreement was signed by the other unions (Fim, Uilm and Fismic) and presented to the workers for a referendum. FIOM declared the referendum illegal because it was taking place under blackmail. Fiat's management and media commentators expected the referendum result to be an overwhelming YES; however, 37% of workers, overcoming their fear of jeopardizing a key investment that could save the factory, refused to sacrifice their rights for the promised investment. A young and educated new generation of workers said NO to blackmail, thus asserting their dignity and political consciousness.

In retaliation against FIOM, Fiat showed an iron fist in other plants: on the 14<sup>th</sup> of July, three FIOM delegates were dismissed in Melfi (Basilicata) because they were on strike; in the same week, a white collar employee in Mirafiori (in Turin, the largest Fiat plant in Italy) was suspended and accused of spreading propaganda because he was using a computer at

the office to inform his colleagues about Fiat's strategy against workers.

Signatory trade unions, editorialists, right-wing politicians and even part of the left and some CGIL officials misread the consequences of what was happening in Pomigliano. Many considered, with a hint of racism, that Pomigliano was a manifestation of the "southern illness", characterized by laziness, high absenteeism, and so on. They accepted that Marchionne would "correct" this exception.

A large-scale response took place on the 16<sup>th</sup> of October 2010, when a national demonstration of metalworkers (organised by FIOM) and other social actors, including students, precarious workers, and civic associations, brought together hundreds of thousands of people in the centre of Rome.

On the side of capital, Marchionne's initiative encouraged Federmeccanica, the metal sector employers' association, to inflict a direct blow to the national employment contract. The employers' association signed, with the unions who had endorsed the Pomigliano agreement, a national agreement allowing for derogations to the national contract.

Fiat's onslaught on workers' rights quickly moved north, to Mirafiori, its historical plant. Fiat announced that some of its production would be transferred to Serbia, thanks to financial assistance the company had been offered by the Serbian government. Uncertainty and fear were spreading among workers. What would their future be? What was Fiat's industrial plan? Where and how would the trumpeted €20 billions of "Fabbrica Italia" be invested? Marchionne always refused to give details about his projects while the government remained silent, openly leaving the market to decide on the future of the workers.

On December 23<sup>rd</sup>, a new agreement was requested by Fiat from the Mirafiori workforce (5500 workers) as a condition for the allocation of a €1 billion investment for the production of jeeps destined mostly to the American market. Again, no real negotiation took place, and the same terms as in Pomigliano were proposed: worsened working conditions and increased working time, as well as an attack on freedom of association. Workers would thus lose the right to elect their shop stewards, who would instead be appointed by the union leadership. Moreover, any union refusing to sign the agreement would be excluded from the plant. The agreement trampled on FIOM's right to represent its members.

The result of the referendum was positive, but by a very tight margin - 47% of workers voted NO. The majority of blue-collar workers voted NO, particularly those on the assembly lines where the impact of the agreement would be stronger. The YES of the 400 supervisors and white-collar workers was decisive for the lean 53% majority.

It was a surprising victory for the union, considering the referendum, once more, took place under blackmail. The substance of the referendum was: "either you accept to curtail and/or give up your rights, or you will lose your job". In the meantime, Marchionne was applauded across the political spectrum.

On the ground, different segments of civil society were expressing their support to FIOM. Students, precarious workers, researchers, school teachers, and progressive economists stood beside FIOM at the strike on January 28 2011, which was accompanied by demonstrations in many different cities.

The new points of the Mirafiori agreement (like the exclusion of FIOM from union representation in the plant) were added to the Pomigliano one and a new Fiat contract was designed as an alternative to the national contract. This demonstrates that Pomigliano was not an exception but the start of a strategy aiming at the destruction of the three pillars of the Italian labour relations system: labour law, the Constitution and the national collective contract.

### US influence

Marchionne's strategy, which emulates the US labour relations system, is very popular among Italian commentators. His supporters should however know that the US never ratified the ILO Conventions on freedom of association and collective bargaining. Labour relations are largely dependent on the US Administration – as opposed to the Italian or European ones, which are based on laws and national collective contracts. In the US, the unionisation rate is at its lowest ever. On the whole, the lack of a real collective bargaining system has produced lower wages and longer working times.

United Auto Workers (UAW) had one and half million members during the 1970s; it has barely 400,000 today. UAW is launching a strong unionisation campaign and its president, Bob King, recently stressed that "no democracy on earth can thrive and prosper without democratic unions" (speech to the Center for Automotive Research Conference, "A UAW for the 21<sup>st</sup> century", 2 Aug. 2010).

The powerful International Brotherhood of Teamsters (IBT, which has 1.4 million members among truck drivers) has fully understood what is at stake in Italy. The car haulers (part of IBT), one of the few sectors in which a national contract was signed in the US, have been fighting Marchionne's restructuring plan for Fiat/Chrysler, which would terminate the collective contract and destroy thousands of jobs. FIOM supported their struggle and received their support for the January strike.

Fiat's case is unique in Europe and even the European metalworkers federation is worried about the possible extension of this "model".<sup>1</sup> It represents a dramatic attack on workers, union rights and on the entire labour relations system, which is an important part of the European social model. This leads FIOM to the conclusion that, unless we are able to build strong European and international unions, the race to the bottom is likely to continue. We have to confront it with all of our energy if we want to save worker unions and avoid the rise of market oriented company unions!

### Accusations against FIOM

"FIOM does not behave as a labour union but as a political actor", Minister of Labour Sacconi told the media to discredit FIOM's dedication to the struggle of workers. The reality is that Italy is facing a growing political and cultural regression that starts with the prime minister himself, and the cultural and moral model that he spreads through his media. This is exacerbated by the weakness and division of the political opposition to the government, which is unable to formulate any coherent economic or industrial policy. FIOM's determination to stand up in defence of worker and union rights has become a point of reference for a large part of civil society. In so doing, FIOM occupies a political vacuum, as there is no political force in Parliament which represents workers.

"FIOM's positions lead to isolation," say many on the political left and also some from CGIL. Is it so? Worker assemblies were in fact overcrowded, while the streets on the day of the strike were filled with metalworkers and other social actors! What does 'isolation' mean, then? The establishment tried to isolate FIOM. But, in the end, even the mainstream media had to cover the conflict in Mirafiori, and to show the solidarity coming from different segments of civil society. We could rather say that the political opposition is isolated because it stands so far from the people that it is supposed to represent!

"FIOM is old-fashioned and does not understand the modernity of globalisation". Yet, in a time of deep financial and economic crisis when the failure of neoliberal globalisation has become obvious, the modern and just attitude towards globalisation may well be the one of those standing up for their rights.

<sup>1</sup> See for instance the press release of the Fiat trade union coordination group, 4th of February 2011: (<http://www.emf-fem.org/Areas-of-work/Company-Policy/News/Declaration-of-the-Fiat-trade-union-coordination-group>)

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