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Italy

A public Fiat?

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The Italian-based Fiat group has approved a restructuring plan for its automobile division. The plan provides for the closure or restructuring of 18 plants - two in Italy and 16 abroad - with 6,000 redundancies.

[https://www.internationalviewpoint.org/IMG/jpg/12_Fiat.jpg]

"It's the market, stupid." That's how you might approach the new crisis, the most serious yet at Fiat. It could lead to a social disaster of vast proportions throughout the sector concerned, with implications for the entire Piedmontese economy. It would lead to enormous social damage in the Turin region. Fiat has lost the war in the pitiless capitalist competition which, particularly in recent years, has exploded between car manufacturers - accentuated by an international market which has not experienced the expected growth. Too many of its strategic choices proved to be errors: insufficient innovation in production, missed opportunities for buyouts of market shares, inadequate models, cost reduction exercises centred solely on the reduction of personnel rather than more global plans of development.

False strategies and enormous debts

Fiat stood up well enough after the vicissitudes of the 1980s, even though it was a relatively much smaller company than the other car manufacturers. However, at the end of the day the logic was unavoidable. Think of the integration of Chrysler in Daimler-Benz or Nissan in Renault, with the consequent huge reductions in jobs and productive sites. For Fiat, the future was already mapped out some years ago. Only those who were wilfully blind could imagine that the agreement between Fiat and GM two years ago could represent an occasion for the revival of Fiat Automobile.

Reality was otherwise. The Agnelli family and the Fiat shareholders had understood that it was too risky to continue in cars and that it was better for them to sell up and invest the money in other more immediately profitable affairs.

Fiat has lost market shares in Europe as well as in Italy, not to speak of difficulties encountered in some third world countries, like Argentina. The market is shrinking and Fiat has experienced a fall in sales, but this is not only a crisis at the level of models produced. Fiat is also afflicted by growing debts, which have alarmed the banks and the financial world. In this situation, GM could decide to buy up the sectors of the Fiat automobile group which interest it at low cost.

In this context there is a dichotomy between the interests of Fiat shareholders and those of society and the country. On the one hand the interests of the Agnelli family and the shareholders are to halt the fall in the value of shares so as to sell them all quickly at a reasonable price, thus bringing to an end the history of Fiat Automobile. To succeed in this objective, they are however forced into difficult and risky operations to sell off other significant sectors of the group. On the other hand there are the interests of the collectivity, i.e. social interests. It is about Italy maintaining, like the other big industrialized countries, a car production industry, which, beyond numerous considerations, constitutes a pillar of economic development. There is then the interest of the collectivity in preventing a new slaughter of jobs and a supplementary reduction of the only productive site which remains in the Turin region, that of Mirafiori. Finally, there are thousands of other jobs in danger, not only in the Piedmont, but also throughout Italy. The implications for Turin are worse than in 1980 (when 24,000 jobs were lost).

Naturally, it will not be the end of the entire Italian car industry. Not all the carmakers will disappear. Something will remain, probably in the South, which already has different norms and a labour regime which is more unfavourable to

the workers. All that was obvious long ago but nobody wanted to see it: and today many still minimize the gravity of the situation, painting a vision of a rosy future with illusions about the effects of the Olympic games or the development - uncertain and improbable as it is - of telecommunications. All these people start from the presupposition that the market should remain sovereign.

What conclusions?

Naturally, those who will pay will be the workers. The Fiom (the metalworkers' union) has assumed a very firm position, rejecting any discussion posed in terms of social shock absorbers. It has set itself the objective of defending all jobs through the reduction of working hours on the model of Volkswagen.

Also important is the request for public intervention which, accepting the necessity of keeping a significant car sector in Italy, commits Fiat to adopting a development plan, based on product innovation, intervention in the ecological car sector and so on.

All this is certainly correct. It is also correct to denounce the responsibilities of the Agnelli family, which has received so much from Turin and the Italian state. In the same way, it is right to approach the question of Fiat in a broader framework and propose, as far as the Turin region is concerned, a different development from that proposed by the existing powers. The latter stress large-scale infrastructural developments and development of employment in the tertiary sector and in tourism. All this is to be combined with a specialized niche production and perspectives linked to information technology and telecommunications.

In fact, the heart of the problem resides in the utopia of thinking that Fiat shareholders will put their hands in their pockets to act in the collective interest. They will appeal to the sacred nature of private property and to every ideology of market rationality. They will invoke the non-intervention of the state in the economy. They will seek to draw the maximum profit even from this situation and to save the skin of the important shareholders.

There is also the danger that a further worsening of Fiat's market situation and debt will allow GM or other carmakers to buy out the sectors of Fiat automobile at low price.

Where are the interests of the collectivity?

Crushed between Agnelli's desire to sell, the current restructurings and the more radical and definitive restructurings envisaged by GM, the two political coalitions - the Italian government and the local administrations - have never wished to face down the US bosses, who are the real masters of the game.

The government should discuss the future and the fate of Fiat directly with the overseas bosses. This eventuality - which could happen in the fairly short term - implies however, from the point of view of the workers' interests and the collectivity, that the logic of the market and private property are challenged. Either the ferocious logic of neo-liberalism is accepted, with consequent social disaster, or we have state intervention as the representative of collective and social interests. Fiat cannot do as it wants. We are faced with events of great gravity which demand absolutely extraordinary interventions, as proposed in *Liberazione* by Rocco Papandrea: rescuing this economic and occupational heritage requires an intervention targeting directly private property, in favour of the collective interest.

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Some people are worried by these proposals. They are certainly not fashionable but they should not be dismissed by the radical left.

"But could you be seriously advocating the nationalization of Fiat?" some ask. The response can only be: "If necessary, yes. If that can stop the dismantling of the enterprise, of this wealth produced for over 100 years through the labour of several generations of workers, most definitely yes!"