

## ITALY

## FIAT workers break ranks

This is the first of two articles on labor relations at FIAT.

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PARIS

**W**ITH RAGE AND ANGUISH, cheers and crocodile tears, the historic fact has been trumpeted forth: The Italian working class has suffered an epoch-making defeat. The five week strike at the FIAT auto plants in Turin has ended with the workers, the unions and the left deeply divided and in unprecedented disarray.

Yet like the battle of Waterloo in Stendhal's novel, the meaning of the recent conflict at FIAT blurs as one approaches the center. Some of the supposedly vanquished combatants seem to think they won. And the event was sufficiently complicated that different vantage points give rise to different versions.

Some basic facts: After a drastic sales drop last spring, FIAT announced that it would have to cut back production and fire 15,000 auto workers. At the end of a long, confused dispute, a complicated agreement was signed on Oct. 15. Nobody was fired. Instead, some 24,000 workers were laid off. They will continue to receive 93 percent of their wages from a government fund for as much as 33 months.

"The important thing about the agreement is that Italy continues to be the only country where people can't be fired," Piero Fassino, in charge of Italian Communist Party (PCI) factory relations in Turin, told me. "You who are American, now tell me, at Chrysler are people fired? Yes. At FIAT, nobody is fired. Is that a defeat?"

But the defeat in question was not so much in the agreement that concluded the FIAT conflict as in the dangerous cleavages that appeared within the working class, auguring much worse things to come.

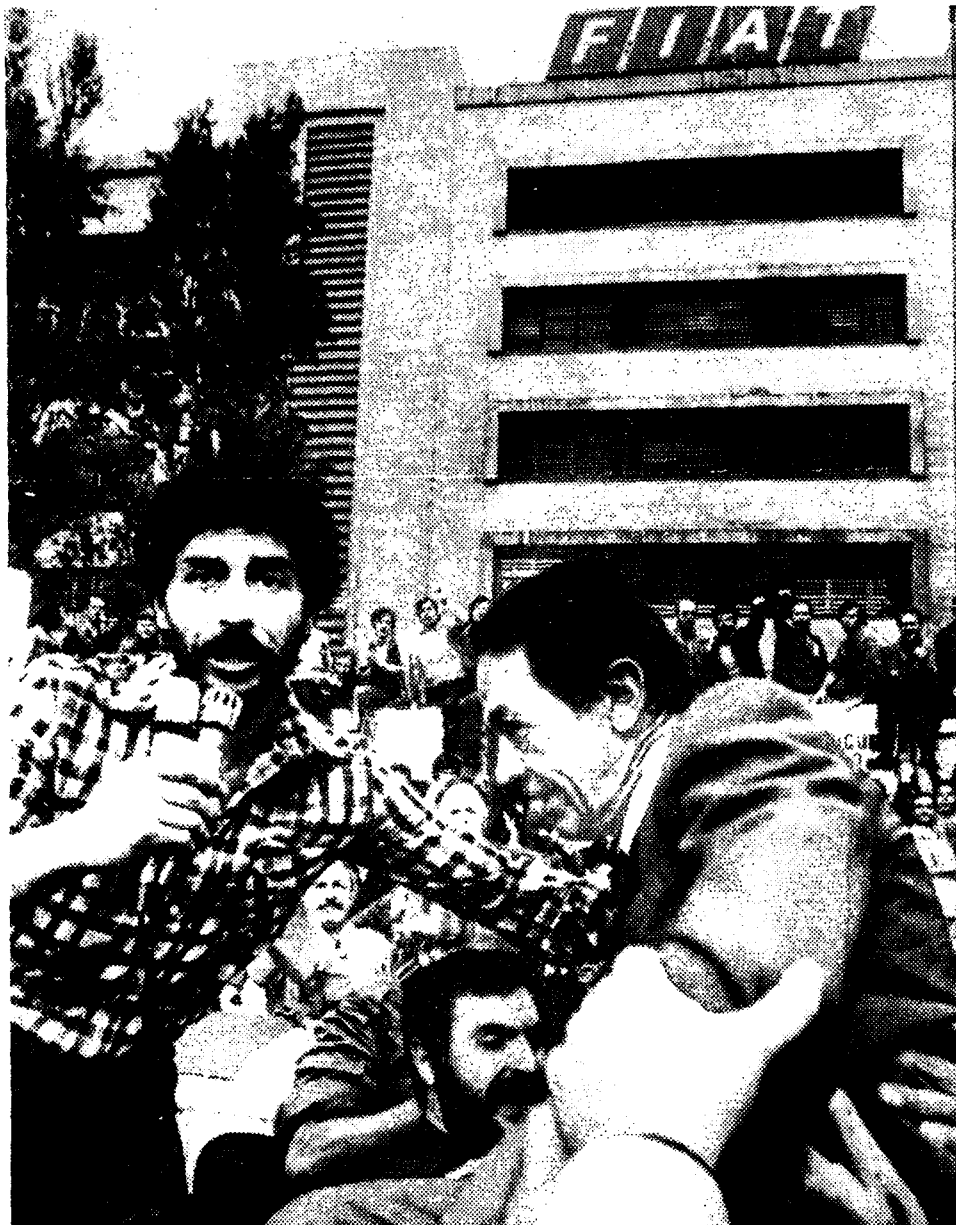
Last July, FIAT's hereditary ruler, Gianni Agnelli, announced that FIAT's European sales had plummeted 25 percent and that the company would have to cut back its labor force by 24,000, firing 14,000 and laying off the rest. The Metal Workers Federation (FLM), which unites metal workers affiliated to all three labor confederations, the CGIL, CISL and UIL, of course said no. FIAT management took an unusually tough stand, rejecting government mediation plans. Turin's revolutionary vanguard workers naturally took up the challenge.

On Sept. 10, FIAT workers went out on strike with rather heady slogans comparing Turin with Gdansk. But from the start, there were signs that enthusiasm for a long hard strike was very unevenly shared, and some of the most experienced labor leaders warned Turin militants to go cautiously into a dangerous test of strength with a management that seemed to welcome a showdown.

#### As FIAT goes...

To Italy, FIAT is more than General Motors, Ford and Chrysler rolled into one. It is the nation's number one private industry, its main multinational corporation and its mythical guarantee of membership in the modern technological world. So it has an impact when Agnelli publicly laments that he is being driven out of the car business by unruly Italian workers and diligent Japanese competitors. Any number of onlookers at the class struggle who cheered on the workers in times of prosperity have begun to think that maybe those people in the factories better stop fooling around or we'll all go down the drain. That shift of attitude has showed up in the changed tone of much press coverage of recent labor troubles.

FIAT's problems have hoarded Italian headlines for months. This summer's labor dispute was the first of interna-



Enrico Berlinguer is lifted to the podium where he pledged support to FIAT strikers. He later modified that position.

tional auto industry restructuring. Suspense built up over whether the government would approve an agreement enabling the Japanese company Nissan to salvage FIAT's small domestic competitor, Alfa Romeo. Agnelli fiercely opposed the deal as a sneaky way to flood the Common Market with Japanese cars. On Sept. 15, FIAT signed an agreement with the French manufacturer Peugeot for joint production of a motor for "the economical car of the future." On Sept. 20, Prime Minister Francesco Cossiga gave his o.k. to the Alfa Romeo-Nissan deal after his own cabinet split on the issue. All this highly publicized but mysterious international consolidation sharpened the contrast between management's power to shape the future and labor's defensive attachment to its traditional struggles without the means to project a plausible economic future.

Political surprises added to the confusion. Since the breakdown of the "historic compromise" shoved the Italian Communist Party into lonely opposition, PCI leader Enrico Berlinguer has been trying to restore his party's frayed ties to the working masses. On Sept. 26, Berlinguer went to Turin and told the workers outside the FIAT gates that the PCI would support their fight to save jobs even if it meant occupying the factories. The notoriously cautious Berlinguer was suddenly portrayed as a firebrand. The next day, the Cossiga government fell.

The PCI had been calling for a new government and seemed satisfied at Cossiga's unexpected fall. But it was a complete mystery as to who, in the parties supporting the government, cast the secret ballots depriving Cossiga of his parliamentary majority. Did Agnelli use his influence to punish Cossiga for approving the hated Alfa Romeo-Nissan deal? An hour after Cossiga fell, Agnelli rescinded the firings, temporarily cooling the Turin situation.

Italian Socialist Party (PSI) leader Bettino Craxi used the interval to throw the left minority all the way out of his party's leadership, enlarge his right-wing minority, and move the PSI a giant step

to the right by creating a "lay alliance" with the Social Democratic Party (PSDI), Italy's most pro-American party, which has made anti-communism its main *raison d'être*. This put out of its misery the moribund hope of the left that the PSI might form a coalition with the PCI, or perhaps use its presence in the government to give new life to the "historic compromise." On the contrary, Craxi's alliance was the first step toward bringing the PSDI into the new government of Arnaldo Forlani. The Forlani coalition of Christian Democrats, Socialists, Republicans and Social Democrats is a reversion to the standard center-left coalition consecrating the PCI's exclusion from government.

#### A disturbing model.

As the Christian Democrats groped for a new government, the FIAT conflict resumed. Agnelli agreed not to fire anybody, but he laid off 23,884 workers, and declared a "state of emergency" in the industry to make them eligible to receive 93 percent of their salaries out of a special unemployment compensation fund (called the *cassa integrazione*) totally financed by the state. In short, FIAT solved its personnel problem by dumping nearly 23,000 people onto the public welfare payroll.

Turin's Communist mayor, Diego Novelli, observed that "the *cassa integrazione* is never a good thing. First of all, there are people not working, which is not positive, and then because it's an incentive to clandestine work." (Every-

Women workers protest paid layoffs.



one knows that many officially unemployed workers end up doing undeclared "black labor" for low but untaxed wages.) Paid layoffs divide the working class. Moreover, as a model—and FIAT tends to be a model—the solution would be ruinous to the public treasury.

The massive layoffs affected two categories of workers particularly reluctant to be sent home: women and activists. Women—a majority of those laid off because they were most recently hired—protested vigorously against this blow to their recently acquired equal right to work. Workers laid off also included 282 Factory Council delegates. This figure was not out of proportion, but those who know the scene insist that a particularly high proportion of the most militant and politically committed delegates and activists were laid off. These people took a leading role in demanding an all-out strike to insure jobs for everyone and a rotation of any production cuts among the entire work force.

Despite Berlinguer's earlier words of encouragement to the strikers, the PCI began to have second thoughts. The paid layoffs had created a dangerously contradictory situation. Italian unions have no strike funds, and when Italian workers go on strike, they simply forfeit their pay. For that reason, Italian labor usually brings pressure on management through partial, phased strikes—a few hours at a time at selected points of production—rather than pulling out the whole labor force at once and shutting down the plants until they get what they want.

Yet this time, contrary to Italian tradition, it was just such an all-out strike ("American style," said its detractors; "Polish style," said its defenders) that was voted by workers at assemblies dominated by the most radical orators. The union local, which had totally lost control of the situation, simply gave its support to the course adopted at the assemblies.

But the layoffs had introduced a split, because the people laid off were drawing 93 percent of their normal wages, while everybody else was getting nothing. This meant that some of the most militant picketers were getting paid while employees they barred from the factories were not. While strong rhetoric prevailed at assemblies, the lukewarm were growing restive. A number of politically sensitive labor people began to feel a sense of impending doom they were helpless to forestall.

#### The "40,000."

Doomsday arrived in Turin on Oct. 14, the 33rd day of the strike. Into the breach between labor and management marched 12,000, 15,000, 20,000, no, 40,000 (the figure 40,000, inflated or not, was the one finally immortalized by the media) faithful FIAT employees demanding that the pickets get out of the way and let them go back to work. The demonstrators were mostly foremen, but still...

That night, in a panic, union leaders worked into the wee hours to conclude whatever agreement they could get from FIAT management. The apparition of "the 40,000" raised the specter of an open and perhaps violent split in the ranks of the working class. At 3 a.m. Oct. 15, an agreement was signed accepting the 23,884 layoffs, but with complicated conditions amounting to a compromise. The layoffs of 8,000 assembly-line workers are to be rotated on a monthly basis. As for the rest, FIAT is committed to try to find them comparable jobs elsewhere or take them back if they are still jobless by June 30, 1983—by which time FIAT hopes for an industry upturn.

But a large minority of strikers complained bitterly of a sell-out. Pierre Car-

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**R**ECENT UPHEAVALS in Poland have almost disappeared from the American media, but events in the coming months will be decisive in forging the future course of that nation. The system established in Poland after World War II retained its central features following workers' revolts in 1956, 1970 and 1976. Now it appears irreparable. Agricultural production is drastically inefficient; the industry is chaotic and wasteful; stores are empty and the lines are long. Only a few die-hards in Poland believe that the country can survive without fundamental reforms.

But reforms—whether of agricultural policies, management systems, incentive systems, accounting conventions, local administration, or central planning—have been as frequent in Poland as projects to combat unemployment in the U.S. And the consequences are also the same: nothing changes. This time, however, the crisis is political. Workers' resistance, lingering since 1970 and 1976, has accelerated during recent years.

Perhaps the resistance might have subsided if conditions of work and daily life had improved after the events of June 1976. But now economic improvement will not suffice. This summer's movement destroyed the relations of political forces under which the Polish society has lived since 1948. Emerging as an autonomous political force in a country where power has been concentrated in one center for 30 years, where politics has been reduced to administration and where every conflict has been treated as a threat to the system, the Gdansk workers have broken the dam. Their victory gave impetus to a sudden, massive re-birth of the civil society.

#### The Polish summer.

On July 1, the government announced that prices of meat sold in ordinary stores were to be increased by 20 percent and those of meats in the so-called "commercial" establishments—normally 50 to 100 percent higher—by 14.2 percent.

Meat price increases in December 1970 led to a series of riots, most notably in the Baltic port of Gdansk, which toppled then First Secretary of the Polish United Workers (Communist) Party, Wladyslaw Gomulka. When Edward Gierek became the First Secretary, he promised that the prices of basic staples, including meat, would not be increased for five years. During these years wages were increasing rapidly (58.6 percent between 1970 and 1975), but meat production increased only slightly and meat became increasingly scarce. Moreover, in order to persuade private peasants (80 percent of land is privately owned in Poland) to produce for the market, the government in 1972 abolished compulsory deliveries of meat and

other agricultural products, increased the prices at which the state bought these products from the peasants, lowered the rate of taxation on land, and increased the import of feeds. The result was that the meat was being sold to consumers at increasingly subsidized prices. To correct this situation, another attempt to increase meat prices was made in June 1976, followed by an instantaneous popular explosion. This time the government quickly withdrew, and since 1976 it has been pursuing a more flexible policy of gradual and often hidden price increases. Not until July 1 of this year were meat prices raised again by an administrative decree.

This time strikes broke out sporadically, but there were no riots. The tractor factory near Warsaw at Ursus, an important center of the 1976 events, and a large transport factory in Mielec were the first to move. Strikes, varying in duration, scope and demands, kept erupting all over the country throughout July, most notably a four-day strike of municipal transport and railroad workers in Lublin, which was highly visible. Workers there made the first demands concerning unions: They called for a new, secret and free election to the union local.

The government seems consistently to have yielded to the strikers' demands. In Lublin, Vice Prime Minister Jagielski made his first appearance as a negotiator and granted all demands, including free union elections. But benefits were limited to those workers who struck. In a synthetic textiles factory at Bierun Stary, 170 striking workers received wage increases of 20 percent and the remaining 1,830 workers did not. Striking Warsaw transport workers received an increase of 1.50 *zloty* per hour, non-strikers 1.10 *zloty*.

On Aug. 14, the Lenin Shipyard in Gdansk struck. Gdansk was where workers marched against the local party committee in December 1970, and where police opened fire on marchers, killing between 42 and 75 persons. Most important, it was Gdansk that gave legitimacy to the then newly elected First Secretary Gierek. After he promised not to increase prices and swore that he would never order police to shoot at workers, he obtained a pledge of *pomozemy*, "we will help." This *pomozemy*, along with the personal popularity in his old power base, Silesia, where he was the regional party secretary until 1970, gave Gierek his considerable popular support.

Although rumors had circulated earlier about work stoppages in parts of the immense Lenin Shipyard, the immediate impetus for the Aug. 14 strike was the firing of Anna Walentynowicz, a 60-year-old crane operator, a member of the strike committees in 1970 and 1976 and a leader of the fledgling independent trade union movement.

The strikers demanded rehiring of Walentynowicz and two other workers fired for union activities, including Lech Walesa, a wage increase of 2,000 *zl.* per



# Prom & Prc In Pol

By

## The Roots Of Reform In Poland: Part I