

## CHAPTER 26

### RESTRUCTURING AT FIAT

The spiralling working-class struggle that has characterised Italian society over the last six years has produced a crisis of major proportions for Italian capitalism – the most severe recession since the War. The crisis has not only affected the method of capitalist reproduction, but has also shaken capital's political control over the working class and has weakened the power of the institutions that mediate the class struggle – the trade unions.

Furthermore, it is a crisis that may be very hard to resolve, since at its roots lie the main political outcome of a decade of struggles: the workers' generalised refusal of the capitalist organisation of work. "Chaos," as the bourgeois press puts it, "has become an endemic feature of Italian society. The traditional tools of capitalist power are no longer capable of maintaining social peace." It is during the crisis, says Marx, that the relation between classes becomes clarified. It is by the "universality of its theatre and the intensity of its actions" that the crisis reveals the unresolvable antagonistic relationship between capital and the working class.

The Italian crisis is first of all a crisis of the progressive reformist policies which capital, together with the official working class movement, had attempted to apply, starting with the first Centre-Left coalition government of 1964. By 1970, following the struggles of 1968-69, it had become apparent that the advanced Keynesian policies promoted by the Centre-Left coalition (economic planning, incomes policy, collaboration with the trade unions) could not contain the impact of a united and politically homogeneous working class struggle. Once again, the autonomous working class demand for more money and less work, for a wage disengaged from the labour expended, hit the capitalist system's capacity to respond positively and to continue to deliver the goods.

As the wage boosts won by the workers in 1968 and 1969 easily exceeded the productivity ceiling, the working class struggle for more wages ceased to function as an incentive to capitalist development, and became a threat to capitalist production. Wages could no longer be made to work as "internal demand" (purchasing power, Keynesian push for development) but, on the contrary, represented a renewed attack on the stability of the capitalist system. The basic Keynesian presupposition that class conflict can be integrated into the strategy of capitalist development revealed once again its political weakness. Capitalism proved to be incapable of satisfying the autonomous and collective needs of the politically re-unified working class.

Economic development is secondary to capital's need to politically control workers – that is, to maintain a dominant power relation. Where such control over workers has loosened, it must be restored at once. Capitalists, politicians, and union executives remind us that there will be no economic development until the "political preconditions" are there. In other words, there will be no economic development short of a workers' defeat.

The fascist bombings of December 1969 were the first major signal of the repression to come. It was in 1970, however, that capital's anti-working class offensive took definite shape, along the following lines: (1) economic crisis; (2) institutional transformation; and (3) technological change, and reconversion of the economy. The

sections that follow deal with these three levels in that order. The role that the official labour movement has played throughout the crisis is also examined.

## **1. The economic crisis**

Capitalists do not like crises. During crises, capital's accumulation slows down and stops. The premise and justification of capitalist civilisation – economic development – must give way to the destruction of capital and of real wealth. Left to themselves, the capitalists would not choose a crisis. The days of crises as a product of intra-capitalist competition in a vacuum of workers' activity are over – if they ever existed.

The economic crisis was imposed on the capitalists by the working class struggle. During the 1968-70 cycle of struggles, workers had not only stepped up their mass struggle against work at the point of production through increased strikes, go-slows, absenteeism and sabotage (all activities that do not reproduce capital), but had also expressed their determination to struggle against the capitalist state. Capital was left with a single choice: to accept the crisis as the new battlefield, to try to take it under control, and to make it backfire on the workers.

There is one thing we have learned. Crisis is no longer the catastrophic development of capital's "social anarchy", as in the collapse theory of the Second International. Rather, crisis represents a capitalist attempt to regain control over the workers' command over the business cycle.

In Italy in the first months of 1971, industrial production receded by an average of 3.5%, with a flat -5.1% in the "leading sectors" – steel, machine tools, and construction. Once again, the traditional antagonism of the level of wages and the level of employment (as unemployment goes up, wages are supposed to come down) was exploited. Massive layoffs, expulsion from the labour force of marginal sectors (women, old people, and youth), underemployment, decreased work mobility – all such means have been used to destroy the unity of the working class, to play off the employed and the unemployed against each other, to separate community struggles from the struggle at the point of production, to de-compose and to disorganise the mass worker.

Despite these efforts, the wage pressure was sustained throughout 1971. With productivity virtually stagnant, wage boosts averaged a fat 16.6%, and cut deep into profit margins. By the end of the year the Bank of Italy revealed that a 670 billion lira increase in the monetary value of production was swallowed up by a 1,500 billion lira increase in the total wage bill. Capital's income fell by 830 billion lira. There was no capitalist accumulation in Italy in 1971.

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Capitalist development depends on current profits as well as estimates on future profits. When the capitalists see no future, they do not invest, no matter how "easy" money may be. Beyond a certain point of deterioration, easy money as such does not get investment moving again. In spite of the "expansive" fiscal policy pursued by the Bank of Italy, net investments fell by 17% in 1971. It was and is a political strike on investments. If capitalist development represents the basis for a working class offensive, then as far as the capitalists are concerned, the only hope of a workers' defeat lies in the economic crisis.

## **2. Technological change and reconversion of the economy**

Marx saw through technological change very clearly: "It would be possible to write quite a history of the inventions made since 1830 for the sole purpose of supplying capital with weapons against the revolts of the working class." Since Marx, and in particular since the development of mass production and the scientific organisation of labour, technological change (called "progress") has become a major weapon in the hands of the capitalist class. By manipulating class composition technologically, capital has learned how to deal directly with the material existence of the working class as labour power, as mere commodity.

In the context of the Italian crisis, the capitalist strategy to base the overall political attack on a "technological repression" of the working class had to satisfy two fundamental political needs. First, it had to strengthen the attack on jobs, for the purpose of enforcing work on the unemployed. Second, it had to produce major gaps in the homogeneous texture of a working class which was politically dominated by the collective behaviour of the mass worker: that is, it had to alter the class composition that had served as the basis for the political re-unification of the working class in 1968-70.

The following measures were attempted: technological innovations that reduce the number of workers employed (technological unemployment); demobilisation of entire sectors of production (such as textiles) and of geographic areas (such as Quarto and La Spezia); decentralisation of productive structures, so as to eliminate large working class concentrations; restructuring of the labour process in view of two major requirements: 1) a wider range of skills and gradings (an attempt at creating a pro-work ideology of skill in a portion of the workforce), and 2) widened wage differentials. Once again, the workers' struggle had forced capital to attempt a technological leap.

Such technological repression, however, was carried out differently in different productive sectors. In fact, industrial sectors were to be analysed in terms of the instruments they provide for regaining control over the working class. From this point of view, each "sectoral plan" represents a particular strategy, a particular model of capital's command over production.

In this respect, the leading sector today is the chemical industry, which, because of its high vertical and horizontal concentration and its integration at the international level, has wide margins of control over the entire cycle of production. Not so for the auto industry. The replacement of the assembly line in the motor factories has been on the capitalists' agenda for quite some time, internationally – ever since the struggles of 1933-37 in the US unequivocally demonstrated the collective power of the assembly workers, the mass workers.

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But the "new way of producing cars" is not just round the corner. FIAT's Agnelli has explicitly ruled out the possibility of any major innovation on, or substitute for, the assembly line, since this would involve at once huge capital outlays, coupled with a 25% increase in costs. Plainly, the big multinational FIAT has become incapable of formulating a workable strategy of containment. At least 360,000 have been "lost" through struggle since 1969.

The ultimate solution in both the auto and chemical sectors lies in the search for safer areas of investment. Thus, Italy's South has come to occupy a favoured position in capital's plan. The new southern "poles of development" at Porto Torres and Gela, veritable cathedrals in a desert, testify to a renewed attempt to divide the working class along geographic lines.

### 3. Institutional transformations: the new role of the state

The political institutions required by a government which must impose mass repression on the working class cannot be the same as those of a reformist government, which would be based on attempted collaboration with the working class. The 1948 Constitution, with its focus on the parliamentary life of mediating political parties and its emphasis on decentralised administrative structures, could not function as the institutional framework for a capitalist use of the crisis. The Italian Republic had been founded on the principle of class collaboration in the name of economic development. Such collaboration remained a dream. Economic development has ceased. Each new government since the fall of Rumor's government (Summer 1970) was under pressure to carry out a gradual "emancipation" of the Cabinet from parliamentary parties and procedure, at the same time as it implemented a general strategy for the repression of the working class.

The first few months of the Colombo government (from Summer 1970 to January 1972) witnessed some uncertainty as to which strategy to employ. Initially Colombo preferred to attack the workers indirectly. A higher sales tax on mass consumer items like petrol, introduced in the summer of 1970, was the first move of the capitalist offensive. Although a strong measure, it still revealed a major weakness in the capitalist initiative: a certain fear of attacking the workers directly at the point of production, and some hesitation about waging an explicitly political battle. But the continuous industrial struggles of 1971, and the dramatic decline in production that followed, demonstrated that fiscal policy alone would not be enough, that the only way to win in the crisis was direct, open repression.

Andreotti's Centre-Right government of January to May 1972 was the first government to openly do away with constitutional constraints, and practice large-scale systematic repression. A modernisation, rationalisation and numerical increase of the police forces; a strengthening of executive power, tested through mass anti-crime campaigns (against both "political" and "common" criminals); early elections in May (with the Christian Democrats promising stability to the capitalists, law and order to the middle classes and repression for the proletariat); the assassination of the revolutionary publisher Feltrinelli and the subsequent increase in state terrorism against the mass vanguards and the revolutionary Left; the hundreds of comrades in jail – all of these measures expressed the same political programme: namely, subordinating the need to resume production and economic development to a process of completely restructuring capitalist command.

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The May 1972 elections reflected the radicalisation of the conflict in the only way the elections could offer: a parliamentary polarisation and a growth of votes for the three major opposing parties, the Christian Democrats (DC), the Fascists (MSI) and the Communist Party (PCI) at the expense of all other minor parties. The tactical reason for the working class votes going to the Communist Party should be clear to everyone: the electoral show of strength of the working class as a compact political body should not be mistaken for a show of support for the Party's political programme. In fact, the government understood the electoral results for what they were – a show of strength, a threat, and an anticipation – and it quickly stepped up repression after the elections with an eye to the next negotiating round of workers' national agreements (Autumn 1972). The winning Christian Democrats' political platform did not provide a strategy for economic development – it provided a model for controlling the class. And this was implemented by changing the relationship between trade unions, political parties, and the state.

The unions were now told explicitly that their institutional function was to convince the workers to stop fighting – or else bear the burden of continued recession. A wage ceiling was set as a precondition for economic recovery, and strike regulation, although not formally ratified, was accepted in practice by the unions, in the form of both “self-restraint” and the search for new mediations to prevent strikes. As for parliament, political parties became organs of the state, and achieving law and order became a political priority for all.

But the major transformation occurred in the role of the state itself.

It was the role of the state as a general economic planner that had come to an end with the crisis. Beginning with the first Centre-Left coalition of **-of-1964\*\***, capital had come to accept the historic trend towards the re-unification of the working class, and tried to make use of this working class unity to re-launch economic development. Through state planning, capital attempted to achieve a general control over the working class as a whole through the institutions of the democratic state, political parties, and trade unions. But when the mass consensus of the working class could not be secured, working class unity became fully subversive in its impact. Consequently, general planning became impossible, and had to be replaced by a number of separate sector plans, particular plans covering the different sectors of industry, in an attempt to tear holes in the homogeneous texture of the working class.

The impossibility of a general plan and the consequent crisis of the state’s role as general planner meant that business reclaimed the economic initiative and set itself up to manage the crisis directly and to respond to each class situation in a specific manner. The state was left simply with its commitment to the stability of capitalist power. This meant an obvious emphasis on the state’s repressive functions – on institutional violence, the police, the courts, the secret service, and the democratic state’s use of fascism.

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Yet it would be a mistake to interpret such institutional changes as simply a revival of state non-interference, laissez-faire, 19th century non-intervention. In fact the state’s emphasis on mass repression and institutional violence was a means to a very precise and advanced form of “state intervention”: the political determination of all market values (prices, wages, “incomes” in general), in order to have economic values meet political priorities. As “economic laws” ceased to function within the process of formation and distribution of income, they simply had to give way to open and direct relations of power. When the laws regulating the price of labour on the market no longer functioned and wages outgrew productivity (that is, the price of labour became disengaged from the amount of labour expended), the traditional socialist ideology of a “value of labour” collapsed. The price of labour could be determined only by relations of power, open struggle, and the strength of organisation.

#### **4. The Communist Party and the question of fascism**

Throughout the capitalist crisis, the CP intensified its campaign to join the government in a coalition cabinet (the well-publicised “Italian Road to Socialism”). Yet, to the extent that reformism : has been defeated, there has been little that capital and the Communist Party could offer each other. Capitalism has no margins for reforms and economic development, and the Communist Party has been in no position to guarantee control over workers’ behaviour.

But then what has the Party had to offer to the working class? Only an anachronistic, ideological re-posing of “reforms” (such as public expenditure and rationalisation of the “social services”), and a campaign for a democratic struggle against fascism which would include all the parties that accept parliamentary fair play (with the single exception of the fascists themselves). In the CP analysis, the threat of a fascist takeover was to be dispelled by a popular-front coalition.

A few words of explanation: the CP’s alarmism notwithstanding, Italy is not presently on the verge of a fascist takeover. True, after the failure of reformism, capitalist strategy has come to a political crisis, for it has not indicated a way to utilise productive forces in a way that is adequate to match the growth and autonomy of the working class. The fascist solution, however, when applied to the problem that capitalist strategy must tackle today – containment and utilisation of workers’ struggles at the highest level of socialisation – is only a museum piece. A popular front in defence of bourgeois civil liberties is a rearguard solution: it is simply a solution for a problem that does not exist.

The problem today is not that there is a possibility of a fascist takeover; it is, rather, collective capital’s support for fascism, and democratic state usage of fascism. For capital, fascist thugs are instruments of direct, physical repression in the unions, on the picket lines, on the streets. Their existence in the political arena, moreover, allows the state to play the role of mediator between “opposing extremisms” – revolution and reaction.

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But who are the fascists? That is, whose interests do fascist interests represent today? They express the interests of the most backward fringes of capital: small business – a social stratum that is doomed to collapse, haunted by the rising costs of labour, and that is politically squeezed out of existence by the sharpening class struggle. The political strength of the fascists, therefore, derives not from the stratum they represent (a fragile stratum indeed), but from the function they are called on to fulfil as a weapon of the democratic state, in the anti-working class offensive.

Under these conditions, to denounce “fascism” and at the same time to “defend the democratic institutions”, as the CP anti-fascist campaign seeks to do, is not simply political blindness: it is open collusion with capital in the attempt to disarm the working class.

## **5. The trade unions versus the working class struggle**

The crisis of reformism has deeply affected the role played by the unions in the capitalist plan. Years of open, autonomous struggle have made it clear that the unions cannot guarantee the collaboration of the working class. In fact, the formal signing of labour contracts has seldom put an end to industrial struggles. Capital has come to realise that collaboration with the trade unions makes little sense when it does not ensure the collaboration of the working class. Furthermore, on certain occasions during the early years of the cycle, the trade unions, far from exercising control, have been used by the workers as one means of coordinating their struggle. Clearly the unions in the “Keynesian state” of the 1960s could fulfil their political function of mediation and containment only on the condition that they effectively “represented” the working class – that is, on the condition that they accepted (and mediated) its spontaneous struggles. Hence, we witnessed a “radicalisation” of the trade unions’ official negotiating platform in 1968-69, as well as the emergence of a Left wing within the trade union movement.

Things were different in 1972. In the 1972-3 round of bargaining, there was no room for concessions. Reformism had failed, and economic development had come to a standstill. There was only one function left – for the unions to fulfil open collaboration with capital in repressing the working class – i.e. the “responsibility” that trade union leaders demonstrated throughout the negotiations. In the words of one union boss: “The Hot Autumn must not be repeated. The 1972 contracts must be negotiated and bargained at a very mild temperature”.

The unions’ strategy focussed on one major objective: to contain the workers’ struggles through the paradoxical argument that one must stop striking in order to prevent anti-strike legislation being brought in. But the history of the last several months has dispelled any illusions concerning the possibility of trade union control over the working class.

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*Photo:* FIAT 1973: The workers march, demanding an occupation.

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Once again it has been the struggle of the auto and engineering workers which has functioned as the occasion for the new working class offensive of Spring 1973. Once again, the situation at FIAT epitomises the political features of a whole wave of struggles.

Since the Turin general strike of September 1972, the struggle has grown out of control in terms of both violence and degree of generalisation. Throughout the Autumn, the FIAT workers stepped up their *cortei interni* (inside-the-factory militant marches that proceed from shop to shop, busting doors and gates and sweeping away foremen, strike breakers and security guards). On 22 January, the Lancia auto workers launched a sit-down, and battled with the police when the latter tried to enter the factory. (One worker was killed by the police). On 26 January, striking students joined picket lines and workers’ marches in Milan. (One student was severely injured by the police.) On 2 February, some 20,000 FIAT workers staged a one-day occupation of the FIAT-Mirafiori plant, which triggered a wave of factory occupations in the following months. By 9 February, nearly half a million workers had congregated in Rome for the biggest working class demonstration to take place since World War II. Their slogans were: “Power to the Workers” and “Factory, School, Community – Our Struggle is for Power”.

Together with the *cortei interni*, mass absenteeism has become a major new form of struggle. Once again FIAT workers have led the way with an absenteeism rate of 28%. This means that each day 30,000 FIAT workers do not go to be exploited by the capitalist factory; that the average real work-week at FIAT has been self-reduced by workers to a little over 30 hours. Through their absenteeism and sick leaves, the 100,000 FIAT at the **leve ròf negotiation** is obvious, workers of Turin have re-appropriated 45 billion lira (over £3,000,000) – nine times the net profit that FIAT posted **Trade union officials and foremen to-for** 1972 – without work. And absenteeism, far from being a substitute for other forms of struggle, has been growing together with other forms of the workers’ revolt – strikes, picket lines, factory occupations and mass demonstrations.

## **6. The blockade of Fiat-Mirafiori**

On Thursday 29 March, FIAT-Mirafiori was occupied again. Early in the morning a crowd of 10,000 picketers blocked all the entrances. To the workers’ slogan “Occupy FIAT – No Truce!”, the unions responded with their own one – “Strike for Two

Hours". Inside the occupied factory, workers set up permanent political mass meetings. FIAT's first move was to threaten not to distribute the weekly wage packets and to call the police. On Friday morning however, wage packets were ready as usual – but for strikers only. "Workers' Courts" ruled that strikebreakers should not be allowed in to pick up their wages. In the Carozzerie [Body Plant], the workers held a kind of "mass trial" of foremen and scabs. By Friday evening, most of Turin's factories were in the hands of workers: *cortei*, assemblies and occupations started at Lingotto, Bertone, Pininfarina, Spa-Stura, Ricambi, Lancia, Carello, Centro, Ferriere, Grandi Motori and others.

On Monday 2 April, the blockade at Mirafiori continued. This was not a factory occupation in the traditional sense; the workers took over the factory not to defend it, nor to run it, but to use it as an enormous resource of political strength. In the words of one striker:

"If the police had come to the gates, we wouldn't have attacked them there. We would have drawn them inside the factory, onto our own ground, where there's no especial organisation, but where we're always ready to answer violence in the terms we understand... If the police had come into Mirafiori, the place would have been out of action for 3 years!"

Picket lines at hundreds of factories throughout the Turin area guaranteed that if the clash exploded, it would not blow up Corso Traiano, as in 1969, but would blow up the entire city. Avoiding a battle was a major necessity for capitalists, unions and government alike. On Monday afternoon it became known that the bosses and unions had signed the new engineering workers' national agreement.

The new national contract was no workers' victory – for two reasons. First, it incorporated very little of the workers' own material demands. Second, and more important, as a result of bargaining between capitalists and unions, the contract did not and could not reflect the political strength and militancy that the working class had expressed throughout the crisis. The disparity between the political strength of the workers – and the results that their strength can command

[...]

On Tuesday morning the unions pushed for an end to the blockade. Trade union officials and foremen together urged the workers to go back to work, and managed to get a few shops working. But on the whole, production did not resume. The first back-to-work day was again a day of no work. At Mirafiori, 60% of the workforce was "absent". Thousands of workers resumed picketing and blocking production. At Rivalta, the workers' assembly expressed the will to continue their struggle until all the people who had been fired during the strike were rehired.

This demand for re-hiring the sacked workers may trigger a new post-contract workers' offensive in the months ahead. As we are writing, the situation remains unstable and open.

What is, then, the main political characteristic of this wave of struggles? It is the way that workers have used the struggle over the contract as simply a moment in the general confrontation between capital and the working class. Here we must learn a lesson of working class strategy: throughout the struggle, workers have left all bargaining in the hands of the unions, and have shown little interest in the official negotiating platform, realising that no union platform can defend the workers from the capitalist attack. They have concentrated on fighting the capitalists on a more advanced level – that is, fighting them over the capitalists' own demands.

### **Permanent conflict**



In fact, the motor-industry and engineering-industry capitalists, with Agnelli leading the way, came to the bargaining table with their own explicit demands: an end to “permanent conflict”; regulation of absenteeism; no reduction in the working week; full utilisation of productive capacity. Precisely these demands were rejected by the struggle at FIAT. After the contracts were signed, the “permanent conflict” did not subside, absenteeism was not reduced, discipline was hardly restored, and production was only resumed with great difficulty. Signing the contracts did not put an end to the struggles, for the workers’ struggle has been beyond contracts all along.

Hundreds of mass pickets, red flags, and “workers’ courts” at all gates, blockades of finished products, “imprisonment” of managers, well-organised settlements of accounts with foremen and security guards – all point to a new leap in the working class struggle: “Taking power” at FIAT, and in all of Turin, contains an explicit allusion to the seizure of political power and to the revolutionary programme of the abolition of wage labour. Says a worker from FIAT-Mirafiori:

“This occupation is different from the one the workers did in 1920. In 1920 they said let’s occupy, but let’s work. Let’s show everybody that we can run production ourselves. Things are different today. In our occupation, the factory is a starting point for the revolutionary organisation of workers – not a place to work.”

[Translated from *Potere Operaio...* 1973?]

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