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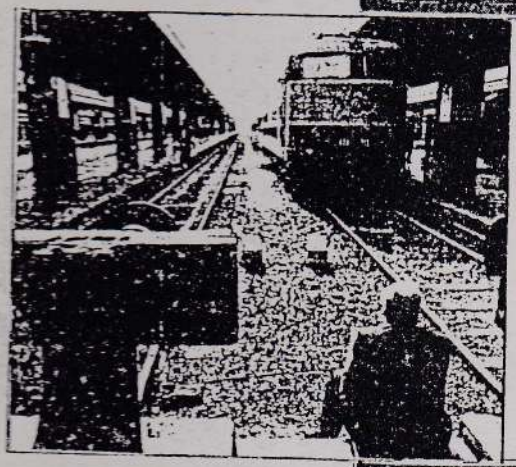
the cobas

David BROWN



ITALY 1986-88:

A NEW RANK AND FILE MOVEMENT

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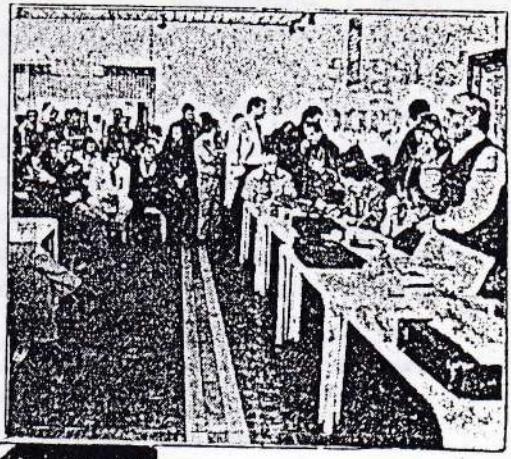

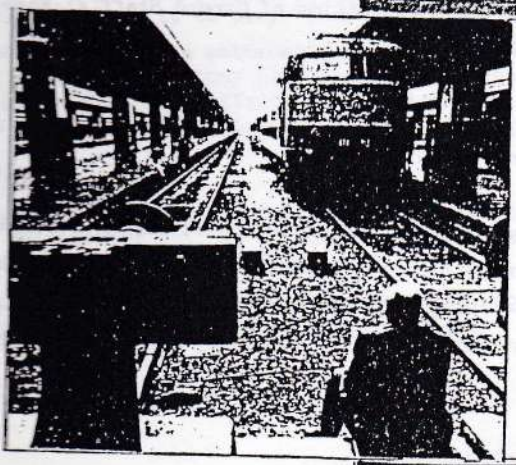

ITALY 1986-88:

A NEW RANK AND FILE MOVEMENT

ECHANGES ET MOUVEMENT

1988

Contents

Page 1 Introduction
Page 2 The Dimensions of the Movement
Page 4 The Black Economy
Page 10 The Service Sector
Page 12 The Financial Sector
Page 16 Economic Overtaking and European Integration
Page 20 The Problem of the Service Sector
Page 24 The Schools: Resources and Products
Page 27 The Movement in the Schools
Page 30 The Train drivers' COBAS
Page 40 COBAS vs. BUS CO. Turin
Page 44 A Short Movement in the Legal Administration
Page 45 The Rank and File Organization of Ground Staff at Rome (Fiumicino) Airport
Page 50 Conclusion
Page 52 Bibliography
Page 53 Notes: the unions and the COBAS

Front Cover: A mass meeting at Fiumicino Airport during a strike, Roma Termini Station, empty as a result of a strike, The Hon. Giuliano Amato, Minister of the Treasury, Socialist Party doyen of cuts in public expenditure.

Introduction

The original intention to produce a short documentary pamphlet on the series of unofficial movements and strikes in Italy over the years 1986-88 was abandoned for two reasons. Firstly the movements themselves continued in existence for an exceptionally long period in a more or less organized form, their evolution and the emergence of their strengths and weaknesses being hard to assess until the movements themselves started to dissolve in 1988. Secondly the movements could not properly be viewed without a detailed reference to the economic and social conditions that gave rise to them. By this we mean that it is necessary to look behind the tendencies that allow the capitalist class to present Italy as a boom economy swiftly overtaking its rivals in Europe and, on the other hand, the rhetoric used by the various unofficial movements.

Two main themes had to be explored. It was vital to see just how the capitalist class would deal with the internationalization of markets in those areas previously protected, firstly on a European level, then on a worldwide one. In fact the strikes in the public services in no small way contributed to focussing attention on their poor performance, posing a serious threat to their survival in the 1990s when faced by stiff competition. The rhetoric of a boom economy soon became replaced by the nagging worries on this point and on others, such as the huge state debt, the possibility of a total collapse of public transport when the World Cup is held in 1990, the continued rise in unemployment during a boom, something unique to Italy in the club of western economies.

Secondly the granting of official statistical status to the black economy has led to a close reexamination of the functioning of the economy. Here again it was vital to go beyond the rhetoric of the state which while welcoming it as a contribution to the GDP and thus to the overtaking of other countries in the GDP league table, failed to go beyond a simplistic notion of it being a separate parallel economy based on crime and tax evasion. As we can see below, the black economy permeates the economy and the society and involves a very large number of people.

These two considerations made it possible then to study the strike movements in a fresh light, avoiding the retrospective comparisons with the very different movements in the 1969-77 period which have left only some slogans and ideologies in their wake.

The Dimensions of the Movement

Several points should immediately be made concerning the growth of the unofficial strike movement in Italy. Firstly the level of strikes overall in the form of strike-days has fallen to a very low level - 2 million in 1987 compared with 22 million in 1976. If we look at the international league table of strike-proneness, Italy was second only to Spain in the decade 1977-86, but in 1987 fell to sixth (La Repubblica 20.5.88 and The Economist 25.6.88. p. 107, source ILO).

Secondly the strikes have been concentrated in a small sector of public services, more especially in state run ones and then in relatively small sections of each service. Between 1985 and 1986 strikes in banks rose seven-fold, in services 5 fold and doubled in transport, not all being unofficial strikes though (L'Espresso 21.6.87.).

Thirdly there is a massive reassertion of the trade unions at least in membership terms. Italy, alone of the 'big six' economies has seen a rapid rise of membership, overtaking the U.K. in percentage terms, even if, as elsewhere, many of the members are in reality retired (The Economist 28.11.87. p. 76).

Apart from these figures we can see very little in new tactics or organization. The unofficial strikes have generally been on the trade union model of 24 hour stoppages, occasionally doubled to 48 hours, with advance warning and offers to guarantee a "social service" and to protect the users, on the railways, or an interuption of marking and examination procedures rather than teaching in the schools. Indeed the most violent strikes that have taken place have been at Rome airport, where the movement is controlled by those still in the unions, or in entirely union dominated factories where the workforces have been fighting closure (the Montaldo nuclear power plant that was suspended after the victory of the anti-nuclear power referendum, the Bagnoli steelworks threatened by closure under EEC regulations, the chemical plants at Crotone and Acna where mergers and anti-pollution legislation have caused partial shut downs, or at Massa where an explosion closed the plant). Here demonstrations ending in blocking roads and railways or, in the case of Bagnoli, the sacking of local government offices, have been the order of the day.

The question therefore is why has so much media and political attention been paid to the movement. Why do the newspapers regularly carry pages of reports on it and why have politicians, trade unionists and the judiciary all expressed the urgent need for strike regulating legislation?

The arguments used by both union leaders and industrialists are sometimes revealing. The FIOM (metalworkers union) leader in Turin stated in an interview given to La Repubblica (19.11.87.) at the height of the movement that "the COBAS will never get a toehold in the factories. Why have they mushroomed in the public sector? (There the unions) are distant from the workers...thus an opening through which the COBAS have entered." Certainly the COBAS have not appeared in the industrial sector, not even the state run part, as we saw in the fourth paragraph of this section, but what is interesting is that they have emerged in those services where, excepting schools, trade union membership is or was extremely high, but not at FIAT, for example, where union membership ranges from

12.5 to 20%, depending on whose statistics you care to believe. In the latter case, despite low union membership, the union run election of shop stewards and the wage-claim referendum were well supported and only in the more peripheral areas of the FIAT empire (Lancia-Alfa Romeo) did Communist Party inspired rank and file movements manage to gain support from 5,300 workers to an alternative pay claim. This led another union leader to state that "I don't think a COBAS could be born here" (Pasquale Inglisano, a CISL leader, to La Repubblica 3-4.4.88.

The social peace in manufacturing industry makes the industrialists equally secure in their belief that an unofficial movement will not gain support and, unlike the unionists and politicians, seem totally disinterested in panic legislation. Mortillaro, the head of the mechanical industry association stated bluntly that he was "not really interested in the idea of regulating strikes. In fact, I wouldn't be worried if things stayed as they are. The problem of labour conflict is much less dramatic than it seems. Today Italy has a strike index lower than ever before" (La Repubblica 23.6.88.). And almost non-existant in his association's factories, we should add. The campaign over the FIAT contract in 1988 consisted of one badly supported 4 hour stike and the deft division of the unions in negotiations leading to the signing of the contract offered my the FIAT management after just a few days.

What is important in this movement is something else: the very fact that it is limited to areas that have not seen the rapid modernization encountered in industry in the 1980s, where tension was considered to be low because of the privileges of state employees (early retirement, impossibility of being sacked, undemanding pressure of work etc.). But these are in many cases the areas that will soon cease to be protected by the state against foreign competition as the internationalization of markets, of which the Single European Act and "1992" are a symptom and not a cause, takes place in banking, transport, finance and insurance. The movement can be seen as a block to the modernization of these sectors in time for the "1992" legislation, but also as a forerunner of future movements, although very often adopting the practices and slogans of the 1970s. The fear among the capitalists is that from this rather confused beginning something more threatening could develop and spread to other sectors.

The Black Economy

What are the black, or hidden economy and the shadow economy in real economic and social terms? A British economist, Stephen Smith in Britain's Shadow Economy (Oxford, Inst. for Fiscal Studies, 1986) suggests a model of various economic categories: a Formal Economy, appearing in official statistical publications, and a Shadow Economy which is subdivided into a Non-Marketed Activity of the Household Economy and Voluntary Work and the Black Economy of tax evasion and Crime (Production) (pp. 9-10). The Italian Statistical Office (ISTAT) lists in this Black Economy unlicensed businesses, employees not on payroll (e.g. illegal immigrants, students and apprentices), second jobs, family members in the family business, temporary farm labourers)(cf. OECD Economic Surveys: Italy, August 1987).

One could then imagine the same work being carried out in different sectors of the economy. Let us take for example a painting job in a private house:

a) the resident employs a regular firm which bills him = Formal Economy
b) the householder does the job himself = Household Economy
c) the painter steal the paint from his employer or from a shop and is paid cash in hand = Black Economy.

The economic product is indentical in all cases and the argument could be considered as merely an academic exercise for an economy, like that of the U.K., where the third category, the Black Economy, accounts for only 2.5-3% of the Gross Domestic Product, according to Smith (p. 191), but in Italy the estimates run from 10 to 50% of the GDP and are now officially accounted for by ISTAT at 20% and unofficially by CENSIS at something higher (cf. The Economist: The Italian Survey - Flawed Renaissance, 27.2.88. p. 9) while the state admits to a 15% only.

Let us look at the agents of this economy: if in Britain Smith can estimate that 10 to 15% of households have access to earnings from the Black Economy, by simple arithmetic we would arrive at 50 to 90% in the case of Italy, which is clearly an exaggeration and shows that total evasion rather than partial evasion must be more significant in Italy.

The figures produced by ISTAT have been used by the review Politica ed Economia (Sept. 1977) to demonstrate that there are 5,200,700 "irregular workers" in the country, a good 25% of the workforce (cf. La Repubblica 25.8.87.) which suggests, as does the ISTAT list of evaders, that we are not dealing just with moonlighting bar staff and taxi drivers, fly-by-night builders on the 'lump', prostitutes and criminals, but a whole range of big (even very big) and small enterprises which are more especially important in three areas: criminal activity, exploitation of illegal immigrants and tax evasion.

Attempts have been made by a leading economist and more recently by the industrialists' daily newspaper to estimate the size of the purely criminal economy. The estimate is that it constitutes 5% of the GDP, which can be broken down as follows:

COSTS		ENTRIES	
Personnel	23,000 bn. lire	Value added	36,000 bn. lire
Rackets/ bribes	14,000 bn. lire	Acquisitions	5,000 bn. lire
Drug exports	8,000 bn. lire	Import unrefined drugs	4,000 bn. lire
TOTAL	45,000 bn. lire	TOTAL	45,000 bn. lire

The shopkeepers' union, Confcommercio, estimates that illegal immigrants contribute a further 4.5% of the GDP, a total of £45,000 bn. and £5,000 bn. unpaid VAT (La Repubblica 11.6.88.). This figure cannot however simply be added to the previous one as organized crime is very important in the illegal immigrant labour market. The bulk of these immigrants in fact work in those areas, geographically and entrepreneurially, traditionally controlled by the mafia and camorra and their very existance often comes to light only when they protest about extreme exploitation, murders of those who try to defend themselves and so forth, as recently happened in the agricultural area north of Naples. Even in grindingly poor areas, such as Irpinia which was devastated a few years ago by an earthquake, immigrants have displaced locals from many manual jobs, which also seems to suggest that the locals can get by anyway with state handouts, their own black economic enterprises, or even by enrolling in the local gang.

The rest of the Black Economy is then considered to be made up of tax evasion, illegal earnings (corruption etc.) and hiring workers off the books.

At first sight it would seem that the control or elimination of the Black Economy is simply a question for the police and the income tax inspectors. However, the state has always demonstrated an unwillingness to come to terms with the phenomenon, even on a theoretical level of identifying those involved apart from some obvious categories, usually the self-employed. Indeed there has been a counter-tendency which has called for, if not a legalization, at least a 'regulation' of graft and corruption, and proposals have been made to legalize heroin and to reopen the brothels closed after the war so as to take drug dealing and poncing out of the hands of criminals and into the hands of the state. In parallel, the more advanced, internationalized and progressive criminal organizations are all too willing to withdraw from certain areas of criminal activity as long as they can invest in legal ones that show a good rate of profit.

A similar attitude is maintained as regards tax evasion. Companies are inspected only every 333 years on average, while individuals are allowed amnesties, delays, and all manner of blind eyes turned as long as they do not overdo their evasion(1).

There are three basic reasons why the state would be able to deal with this sector only with the greatest difficulty.

Firstly, the distinction between the formal and the black economies does not entail a distinction between formal and black workforces. If we take

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(1) Only 1.2% of the "740" tax returns, i.e. those for all subjects that have any income other than that derived from an employees job, were checked in 1987. 86% contained discovered omissions for a toal of 12,000 bn. lire of income, 2,800 bn. lire of tax, but this figure pertains especially to the so-called "risky categories" among which evasion is supposedly widespread.
There are also objective reasons for a high level of evasion. The high number of the self-employed, the low levels of tax thresholds and, especially, that there is no VAT exemption as in other EEC countries, such as Britain, where takings of under £25,000 are not subject to the tax because controlling this poor sector would bring in very little additional taxation for the effort and cost involved.

the case of the state's own employees, who by law may not have a second job and may not obtain the VAT registration essential for (legal) self-employment (Testo Unico, 1957), and are thus limited to a very few areas (e.g. private teaching for teachers), a report showed that "54% of civil servants had second jobs, 33% sold goods within their ministeries and 27% ran other businesses during official working hours" (The Economist: Survey... p. 9). The private sector too often has very high levels of moonlighting: an estimated 50% of worker families in Turin have a second job which is unregistered, which would mean in the case of FIAT that the number of moonlighters is exactly the same as that of those who have job applications on file - 35,000 (cf. La Repubblica 16.2.88)(1) Even pensioners, who as a condition of receiving a pension often must not accept work, take jobs if offered - 26.5% according to CENSIS (La Repubblica 16.2.88.)

The second reason is that of unemployment and the related social problems. Italy has an extremely low male and female occupational ratio, in fact the lowest in the OECD, thus the black economy can be seen as a sponge that mops up the unemployed and that can more easily absorb those in the household economy by means of part-time, domestic jobs than the formal economy. A commentator made this quite clear:

"If the other side of tax privileges in commerce is inefficiency, another aspect is the absorption of ½ million workers in that sector and of 2 million in the entire tertiary sector in six years. Too many? Without this outlet there would be 5 million and not 2.7 million unemployed and a rate of 20%. The puzzle of tax evasion begins with this social shock-absorber. In fact, the idea that the economic trends are unpromosing means that this overflow valve may close." (Maurzio Ricci in La Repubblica 25.9.87.)

But the toleration of the black economy is not merely a 'bread and circuses' policy, as here in commerce, but a way to establish labour mobility that can allow the rapid movement of workers to more profitable sectors, avoiding both the union controlled employment exchange system and the fossilized state bureaucracy. It is in fact symptomatic that recently the former, the 'collocamento', was by-passed by the bosses and that legislation on the mobility of state employees has been proposed.

Lastly the state has to confront the question of politics, of the legitimacy of its actions. Why should a state employee have to get by on his or her wage when politicians have all kinds of extra earnings from other jobs. Why should the same employee work the hours in his or her contract when the evening TV news shows the latest very important parliamentary debate held in a practically empty chamber. Why shouldn't he or she take backhanders to speed up a case or even to pevert it when every day the

(1) The recent crack-down on teachers and nurses for their undeclared second jobs (La Repubblica 24 and 25.8.88.) in the Turin area led to much indignation from the respective unions which had (including the COBAS) called for crack-downs on tax evasion to pay for their pay rises. It seems that the state took their word rather too literally.
On the question of FIAT, the article by Vincenzo Ruggiero in Capital and Class no. 31, Spring 1987 'Turin Today: Premodern Society or Post-industrial Bazaar' deals specifically with the integration of the largest Italian industry, FIAT, and its suppliers and workforce. The emergence here of a large black economy is viewed as the product of modern capitalism and not its predecessor, hence the title.

newspapers speak of bribescandals among ministers, top bureaucrats or the judiciary. Why should an employee in a private firm be expected to pay nearly half of what he earns as a consultant (19% VAT, 6.375% special health tax, then 28% income tax on the remainder, leaving just 54%, and not including accounting costs etc.) when politicians in voting these taxes manage to exclude themselves from paying them. This Poujadiste type of legitimation which led temporarily to a series of demonstrations against 'the taxman', and still has a certain political strength, however cannot go beyond the limits imposed by the black economy itself: an economy that exists not as a parallel or independent one, but one which is closely linked to the formal economy and has to follow its requirements.

Here again, however, we should not refer to the black economy in its national form. The liberalization of the EEC economy has already had an effect in some specific areas, above all in the field of building contracting for national states. These contracts were often issued on a payola system and then subject to mafia pressure (a pay out of 10% for the former and 5% for the latterin certain cases). Now foreign companies that are hot subject to political pressure and are less inclined to pay mafia organizations have managed to underbid Italian firms in major construction projects and this is having major repercussions among the entrepreneurs, architects etc. As in any economic system, only the efficient activities survive in the long term(1).

Let us now shift our attention to the shadow economy, the usually non-

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(1) The size of corruption in financial terms have never been adequately measured and probably this calculation would be impossible to perform. In terms of accountancy it'makes little difference: the bribes paid could be traced in the tax evasion or the undeclared income of the parties involved, therefore forming part of the category of tax evasion too. A sociological study (Franco Cazzola Della Corruzione, Bologna, 1988 p. 163) collects a series of surveys made by business magazines on the phenomenon. In the first (il Mondo 2.3.87.), 400 entrepreneurs, managers and professionals were asked about the frequency of bribery: 56% stated that is was "very common" and a further 26% "rather common". In the second by Successo, readers (i.e. including those who are not involved in deals and contracts) were asked if they had been asked for bribes. 30% said they had been asked to pay backhanders.
Corruption is also found at a very low level among the "common people" - offering the legendary price of a cup of coffee to have one's papers "put in order" or to jump the queue in having the pension paid (there is generally a three to four year wait before the pension office begins to pay retirement pensions). This entails a series of measures and problems. The state could act to put its own house in order and to make the contracting administration function without the need for bribes to oil the wheels. This, as the figures above display, would annoy not a small number of state employees and state representatives (who are often the same: about 50% of local, provincial and regional councillors are also state employees) Again we find that the question of 'Europe 1992' intervenes: large works and supply contracts have now to be advertised on a community basis. The non-Italians who are less culturally or otherwise prone to bribery have already carried off major contracts (e.g. the Turin - Modane motorway, the irrigation project in Sicily) as they can undercut the Italian competition, and the few percent required to cover bribe payouts may be crucial.

monetary, but not extra-economic sector. In many areas surrounding major industrial concerns such as Olivetti in Ivrea, factories in the Brianza north of Milan and in the Veneto, that is in areas with smaller urban centres and therefore not completely built-up, old afterwork activities in smallholding and market gardening persist, in fact being the norm for those whose entry into industry did not mean being uprooted from the farm. Those who do not have this second activity are often frowned upon as idlers in the village (1). Even in a major city like Turin, the City Council estimated that there were 50,000 allotments and market gardens, mainly squats along the railways, roads, rivers and in abandoned factory areas that the end of the building boom and the decline of industry had left unbuilt. From this last figure we could calculate that, based on an average family of four, 20% of Turin's population grows some of its own food, something encountered normally only in Third World cities. Obviously there is no attempt made to end this hopelessly inefficient mode of production, the result of high food prices due to a hopelessly inefficient food production and retailing system, except when it impinges on the realms of the registered agricultural economy.

The last Census of Agriculture (1981) revealed that the average farm size remains very small (7 hectares) and that the bulk of the workforce was working on what amount to smallholdings. The head of the big farmers' union, Confagricoltura plainly stated that 80% of farms must be closed down if agriculture is to survive. Here we can see how one aspect of Italian capitalism, low wages in industry and high prices due to backward distribution, conflicts with the advanced agricultural sector by creating a large band of small part-time farmers which absorbs land and water resources and grants from the EEC. This leader quotes from the Census: 2.2 million farms, i.e. 80%, but occupying only 40% of the land, 0.6 million farms with the remaining 60%. This has been obtained without any of the aid to part-time farms, cooperatives, rural population stabilization grants that for so long were a feature of other EEC countries.

To understand this attachment to the land we have to switch to a review of some struggles over recent years that have been largely unofficial and have only one basic demand: the return of immigrant workers from the south to their home areas. Obviously these struggles have involved only nationally based concerns, that is state enterprises, particularly the railways. By drawing up two family budgets for the same family, originally from the south, but working and living in the north, we can

(1) In Piedmont such people are called barotti. This term used abusively by fully urbanized proletarians means those who never take part in strikes and are only interested in work and their farms. Obviously capitalism cannot do anything about the phenomenon although it does have negative effects too: it immobilizes the workforce and an extra few hours work per day means that the worker, who due to firings and non-recruitment since the early 1980s now averages over 45 years old at FIAT for example, quite often must be dog tired and unable to cope with the rhythms of the modern factory. Obviously this means that major industries have to divert employees to more industrial second jobs, a move that has been fostered by the introduction of supply contracts to myriads of small firms on the Just-in-Time delivery principle: something that has allowed cut backs in workforces, stock and land space.

begin to obtain an outline of the economic advantage:

	North	South
Housing cost	rent £300.000 p.m.	residence in family home
Heating costs	£200,000 x 5 mnths.	£200.000 x 1 month
Food Costs	£500.000 p.m.	only meat and fish and some other products not produced £200.000 p.m.
Annual Total	£10,600.00	£2,600,000

The estimated difference then is of 8 million lire or £(Sterling)3,500.

Here the insertion of the shadow economy into traditional family life can be seen a great brake on economic development by tying down vast numbers of state employees in the south where there is less work to do.

Here we can return to the main theme of this pamphlet: the unofficial strike movement. As was hinted in the introduction, we can see that those involved in this movement are most usually those whose access to a second job in the black economy or a second activity in the shadow economy in extremely limited. The irregular working hours of train drivers and guards mean that they do not know from one week to the next where they will be in the evening, excluding them not only from any shift work, but also from the banal task of watering the vegetable patch at dusk. Then if they did set up on their own, they have no saleable skills, unlike most workers in industry, who have learnt on the job many basic mechanical or computer procedures. In the schools and state offices it has been particularly in the large cities and in the south in general that strikes have taken place. Here too overcrowded classes or offices deluged by cases to be considered make extra work the norm. In rural areas, particularly in primary education, no such stress is involved. There was the case of the school on Stromboli kept open for just one pupil, but even a casual reading of the statistics reveals that for 1981 (the latest available and only at the beginning of the rapid fall in school rolls) 21% of elementary schools in Turin province could not form classes of 20 pupils, many not being able to reach double figures.

We are therefore dealing with groups of strikers which the state's handouts, bribes and privileges did not compensate and who could not draw an economic advantage of any kind from alternative activities. We can also see that the response of the state has been ambiguous: on the one hand it wins social peace by giving handouts and by tolerating the black economy, then by calling for job mobility and cuts it undermines both. This should be seen in the context of the requirement of improved efficiency introduced as a short-term measure as it affects negatively precisely the more productive sectors of its various enterprises, rather than tackling basic problems of overstaffing as a way to obtain votes, that is a rather more numerically limited consensus.

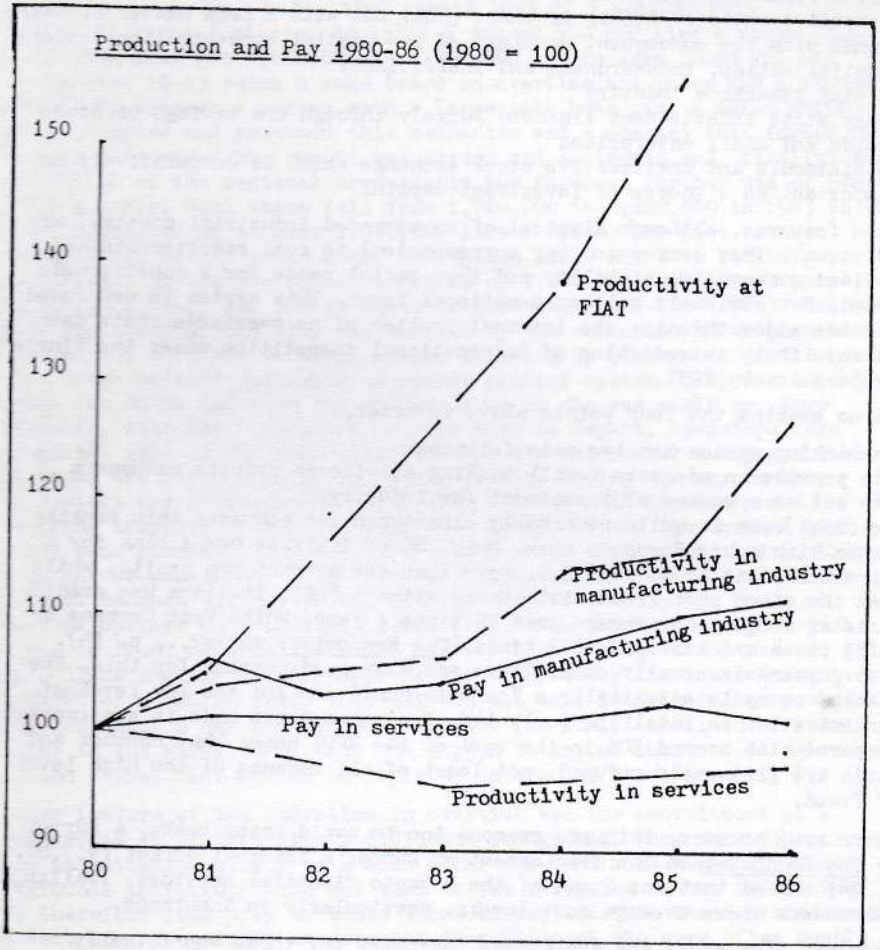
The Service Sector

As the movements we are considering affected solely the service sector of the economy, we should pay some attention to it.

While some of this sector is stagnant or declining (schools, railways), others should have a bright future (air and road transport, banking and finance) if certain conditions are met. At present it is patently obvious that no such improvement is underway. The Carniti Report on wages and productivity produced figures from the 1980-86 period to compare the service and industrial sectors of the economy. As can be seen in the graph below, productivity rose rapidly in industry and wages more slowly, while in services wages rose slowly, but productivity actually fell. In the industrial sector we can remove some of the dead wood, for example the bankrupt nationalized steel industry and find some even greater increases in productivity, 60% in this period in the case of FIAT, twice the national industrial average. In purely productivity terms the rises are 18% in all industry, 21.5% in agriculture, two sectors given up as dead dogs only ten years ago, while the service sector saleable services lost 4.1% and that for non-saleable services lost 0.7%. Thus the tertiary sector that represents 61% of the GDP is simply not the locomotive that pulls the economy along behind it, but rather the guards van at the back with the brakes on.

This comparison has given rise to the repeated assertion by leading industrialists that the service sector is holding back the economy and that the recent boom has been entirely the work of manufacturing. Certainly there has been a dramatic improvement in productivity and profitability in the major industrial groups, but this should not be exaggerated. In fact industrial production fell 10% between 1980 and 1983, then rose by about 19% up to 1988, a net improvement over 9 years of only 9%, only 5th of the six 'big economies', far behind Japan (+30%) the USA (+25%) and even a supposedly devastated Britain (+16%)(The Economist 10.9.88. p. 155: source Datastream). Where Italian industry has succeeded has been in improving the return on industrial investment to 10%, the same as Britain and near the 13% of the USA and Japan, but well above the 6-7% of West Germany and France (The Economist 3.9.88. p. 107: source: J.P. Morgan)

Futhermore, despite the development of modern technologies, the principal manufactures exports of the country remain the same as in the past: shoes, clothes etc. that is those with a low technical input, while the booming car sector fails to balance the imports from other countries. This has meant the development of a large current account deficit. The problem may be worsened when free markets in services end the monopoly enjoyed by Italian based firms.


Production and Pay 1980-86 (1980 = 100)
150
140
130
120
110
100
90
80
81
82
83
84
85
86
Productivity at FIAT
Productivity in manufacturing industry
Pay in manufacturing industry
Pay in services
Productivity in services

The Financial System

Italy's financial system is characterized by the following:
- a massive state ownership of banks (80%) but with a huge number of small banks with the consequent problems of low capital concentration, under-capitalization, backwardness and inefficiency
- a tiny insurance industry
- huge state indebtedness financed largely through the savings of households and small enterprises
- a miniscule and unattractive stock exchange which is comparatively unimportant as a source of investment capital

These features, although atypical of an advanced industrial country, are not casual. They correspond (or corresponded) to real requirements and provided comparative stability and thus social peace for a considerable period, but obviously only on a national level. This system is now faced with two major threats: the internal problem of an overlarge state debt and the likely introduction of international competition under the Single European Act by 1992.

Let us examine the four points above in order.

The banking system has two main failures:
- to provide an adequate retail banking service to private customers
- to act as a source of investment for industry.

The first case is quite remarkably clear when one compares this banking system with other European ones. Only 28% of Italians use a bank for a current account (U.K. 189% i.e. more than one account pro capita, while even the often poor Frech state banks attract 70%). Italians use credit cards or cheques on average just 22 times a year, while West Germans do so 85 times and Americans 172 times (The Economist: survey... p. 14). Thus payment is usually cash. There are many good reasons for this. The black economy is essentially a "cash in hand" one and the low level of concentration in retailing (only 14% of purchases are made in supermarkets compared with around 50% in the rest of the EEC) means that cheques and cards are frequently refused, not least of all because of the high level of fraud.

There are, however, intrinsic reasons too to avoid using banks. A survey by The Economist on the development of Europe's internal market (9.7.88. p. 24) showed that for 7 out of the 9 basic financial services, Italian banks were above average cost levels, particularly in insurance.

Although high costs may discourage customers (or those who actually manage to obtain a breakdown of costs, something the banks do not usually provide), it is the extreme inefficiency in cheque handling that raises most problems. The Bank of Italy White Book showed that banks on average credit cheques to accounts after 7 days (U.K. and Japan 24 hours), while those foolish enough to cash in cheques through other banks or branches have to wait a month, often leaving small customers with severe cash-flow and creditworthiness difficulties.

Politically too banks rarely present a good picture. The collapse of major banks (Privato, Ambrosiano, CARICAL), the carving up of management jobs among the political parties to give unelected M.P.s a salary and the archaic legislation ruling banks all indicate that change is necessary.

Recently the socialist Treasury Minister put pressure on banks to offer clear conditions to their customers as at present the interest rates

offered to savers "are no less than day light robbery" (La Repubblica 28.7.88. - he of course failed to mention that the state heavily taxes bank deposits, even current accounts).

More importantly, the same article showed that banks lending below the prime rate (a contradiction sui generis: one cannot offer a lower interest rate than the one offered to best customers) has risen from 15% of loans in 1982 to 45% in 1987. Banks, particularly local ones, act as clubs for politicians and their industrial affiliates, lending being operated on the basis of friendship or political alliance, thus often ending as bad debts and causing banks to collapse (CARICAL last year, the Prato Savings Bank this year...). As ever, the banks are rescued by others, the debts wiped out and the same racketeering gang carries on as before, perhaps with a slight change in membership.

The basic failing is not that banks are too free and easy with loans in general. On the contrary, in the 1980s credit rose by 120% in 9 years, but while that of the state tripled, private loans rose slowly until 1984 (i.e. the end of the 1979-83 crisis) and then fell back. This would at first sight appear to support what is called the "crowding out hypothesis", that is that state loans crowd out other capital markets by offering higher rates of interest and somewhat better guarantees of repayment. There are, however, counter-arguments. Firstly, industry in a period of boom can often get by with finance from corporate (internal) saving, as FIAT has done: in 1987 it declared that it had no debts and even a small credit in the bank. Other firms can finance their merger acquisitions by selling off other peripheral activities, as has been the case with Olivetti and Montedison. At least until 1986 firms could also recapitalize by issuing shares on the stock exchange (1). Secondly, the state intervenes directly in industrial finance to a much greater degree than other EEC countries: 5.4% of the GDP goes in industrial investment (average 1981-86) compared France's 2.8%, West Germany's 2.6% and the miserly U.K. figure of 2% (La Repubblica 31.5.88.). In fact state aid to industry is marginally more than total private bank loans (39.6 bn. lire compared with 39 bn.)

The largest Italian banks (end 1987)

	Assets (Lire x 10^{12})	World Position 1986	1987
Banca nazionale di Lavoro	108	34	33
Istituto Bancario S. Paolo	82.1	48	51
Cariplo	75.3	60	57
Banca Commerciale Italiana	73.1	53	61
Monte dei Paschi di Siena	73	56	63
Banco di Napoli	67.5	66	65
Banco di Roma	61.8	57	66
Credito Italiano	58.6	64	71
Banco di Sicilia	34.2	unplaced	
Banco Nazionale di Agric.	24.7	unplaced	

(source: Fortune, The Economist, IBCA Banking Analysis, La Repubblica)

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(1) Later we shall see that the stock exchange has ceased to be a good source of investment. Even blue chip shares, like the Libyan quota of FIAT, went unsold and had to be offered to a German Bank, which thereby became the second biggest shareholder after the Agnelli family.

The question remains then as to why there is a banking system at all. The state could handle the job directly in many cases and by-pass the banks which, as the IMF Report (and those by the ABI, the bankers association) show to be uncompetive, have 50% too many employees and pay them too highly with wage rates second only to their colleagues in the USA. The reason is purely nationalism. Foreign banks are waiting to get into Italian banking and to offer their much improved services. "The Huns are at the gate" the nationalist media complains and dream of an EEC that resembles more the Roman Empire (1). Thus the Deutsche Bank has taken over the Banca d'America e d'Italia and has tried to get two others, but has failed. The Munich Hypobank bought up the Banca di Trento e Bolzano, so this German speaking area will become a German banking one too. More cases will undoubtedly follow.

The major change will be the break up of the Italians only banking club which controls 90% of activity within the country compared with the 38% that British banks hold in their own country (The Economist 18.6.88.). Nevertheless, only 4% of all international bank assets are Italian (the same as Switzerland, but far behind the U.K. 6%, W. Germany 8%, France 9% and the giants Japan 35% and USA 15%)(The Economist 2.7.88.). Moreover the self-imposed exile of the Italian banking system from international markets have serious effects on the system. The banks occupy their own protected niches and only 3 operate nationally. That means they are small: only one Italian bank figures in Fortune's top 50 (no. 33); they fail to gather capital on the international market: the top four collected only 245 bn. dollars in 1987, compared with the U.K. 435 bn. and France 600 bn. (La Repubblica 10.9.88.). Not surprisingly only 13.1% of bank assets were foreign in 1985, scarcely above the figure for 1970, and well below that of other banking nations (OECD Economic Survey: Italy August 1987). Thus the banks have missed out on all the good investment opportunities offered by the boom in investing in more rapidly expanding economies, above all in the USA.

Another important effect of banking in isolation is the loss of the contact with new trends in financial markets, the wonders of swap options, forwards and so on. On at least two occasions (and others may well have gone undiscovered) the state has been cheated by those who know that banking system better. In 1986 the state electricity company tried to raise a dollar loan through the state owned San Paolo Bank. The various large international currency dealers foresaw this and managed to push the dollar up to over 2,000 lire (it is now 1,350 lire) before the state closed the currency exchange and withdrew with a heavy loss. This year the Credit Suisse First Boston Bank milked 20 million dollars out of the flat-footed treasury that required another dollar loan, but was unable to understand that the options offered were a pig in a poke. The money was later repaid (The Economist 31.8.88.).

It is therefore hardly surprising that the banks are having to run to catch up by opening foreign branches and by modernization at home. The

(1) The term is used in the leftish La Repubblica, but the ideology infects much financial reporting. Turani, in his La Locomotiva Italia (The Italian Locomotive - an unhappy title given that there have been endless railway drivers' strikes) states that Italy will soon be no. 1 nation again and that the Germans can sit back and drink beer, the English will find the Pax Britannica of the senses. The book won a prize, but the end of the boom time ideology has relegated it to the bookshelf.

latter has led to a whole series of small strikes, often bank by bank, staff category by staff category, which defy interpretation given the complexity of the demands made. Here a delightful tactic is used. The banks are used to collect taxes (VAT, Income tax, health contributions) in a well laid out calendar of payment periods. The staff therefore strike just in those periods, losing the goverment money, if only temporarily, and amusing the unwilling victims of the tax system.

The question of the state debt is bound up with the financial system. This debt exploded in the 1980s, tripling between 1980 and 1988, and now representing a figure identical to the GDP and by far the highest of any major economy (three times that of the USA for example). The reasons are quite obvious: the massive taking on of state employees, for example 200,000 teachers have been taken on over the last 4 years, while it is estimated that there is an excess of at least 300,000, handing out pensions to all and sundry (state employees after 10 years in some cases) and lunatic investment schemes in ultra high speed railways, steel plants and nuclear power stations. As we have seen elsewhere, taxing the black economy and ending tax evasion are not two immediately realizable objectives, thus the debt has to be covered by borrowing. Unlike the Third World countries in the 70s and East European ones in the 80s this debt is almost entirely internal and is financed by the savings of households which save 23% of their incomes and hold 50% of the state debt in bonds. It is not just the size of this debt which makes it precarious, there is also the problem of the nature of the savers. No one saves just for the sake of it, but to acquire later on housing, pensions etc.. The ageing of the population and the fall in the birth rate mean that households will soon start to consume their savings as pensions and will cease to put aside money for the children that they have not had.

An alternative would be to increase existing taxes. The strong united opposition of workers and industrialists mean that income taxes cannot be increased. VAT was increased to 19%, but since this is well above the EEC average it will have to come down again by 1992 to avoid price competition from other countries. Then everything that can be taxed has already been taxed: salt, matches, small notices in shop windows, bills over £20, books, house sales, passports, driving licences, legal documents; or cannot be taxed because the uproar would be too great: wine is almost untaxed. In any case all these would also increase inflation now running at 5% and well above that of the major competitors.

This leaves the last possibility: that of cutting costs of state services by improving efficiency and/or sacking staff. This has long been the aim of the capitalist class because: "In fact there is a much greater gap between net pay and labour costs in Italy... While in 1970 the cost of employees was 72% and contributions 28%, the EEC average was 81% and 19%. However, the quality of the services are certainly very much below those of other countries." (Storia dell'Economia Italiana, Bari, 1975). Nothing much has changed in 18 years: services are still costly and bad, but taxes have increased. An average unmarried factory worker pays tax on 50% of his income compared with only 38% in the U.K. and 33% in West Germany. His higher productivity vis-à-vis a British worker is entirely absorbed by his higher level of social contributions (The Economist 20.2.88. and 21.11.87.). that is, by the lower efficiency of services.

Which way out will be adopted? One can only wait and see, but in any of the cases mentioned social tensions will be increased.

The stock exchange is the last component of the financial system. It is very small, even at its height in 1986 it capitalization was only 16% of the GDP compared with the U.K. 63% and the USA 50% (OECD Economic Survey... cit. p. 50), but is dominated by 9 big fish (or sharks if you prefer) who control 99% of its value. Indeed the stateholding IRI and FIAT account for half of it. This enormous concentration coupled with an archaic regulation which permits insider trading, fails to moniter take-overs and encourages speculation by allowing shares to be bought on credit make it a poor investment prospect. Although 1986 was the year of the stock exchange, since then it has fallen faster and further than any other and starting a good year before October 1987. The total loss at the new low was 50% compared with London's 24%, New York's 22% and Tokyo's 3%. While two years ago crowds gathered around the video screens in bank windows to follow the meteoric rise of their shares, the screens are often blank now and the same investors are inside the bank buying government bonds with their "guaranteed" returns which, in part, will finance those very industries that the stock exchange and banks fail to do.

Economic overtaking and European integration

The inclusion of the dynamic black economy in the financial statistics produced by ISTAT in 1987 gave rise to the boast that Italy had unknowingly overtaken Britain and France in GDP, had therefore the fourth largest GDP in the OECD and could justify its sitting at the same table as 6 other members who form the inner-circle do (The Economist 24.1.87., La Repubblica 6.1.88.). Two factors were not taken into account. Firstly the smaller populations of both Britain and France mean that pro capita GDP figures are different. Secondly, and more significantly, the calculations were made on exchange rate comparisons, while when these were converted to purchasing power parities, i.e. the real value of the GDP, the U.K. was found to have a pro capita GDP 4.5% higher than Italy. However this overtaking, real or imaginary, was a leading issue in the 1987 general elections (the Socialist Party slogan was "Italy that grows") and was soon forgotten afterwards. The overtaken partners in the EEC began to ask that Italy should start to pay its way instead of permanently going begging to Bruxelles for more regional and agricultural aid. In the country itself, complaints were made that the second largest EEC economy should have services to match. Then it was seen that the growth of the Italian GDP is in fact one of the slowest in the west, only Sweden having a lower rate in the 13 top states (The Economist 27.8.88. p. 95). The same issue of The Economist also published the GDP figures pro capita in graph form. What is remarkable here is that real purchasing power in the eight central EEC countries (excluding the peripheral states of Ireland, Spain, Portugal and Greece) runs from 65 to 80% of that of the USA, that in fact living standards in the EEC '8' are remarkably similar and that in fact to this extent integration is effective. The whole argument about the GDP in fact is really a red herring: there is no prospect of an emerging diversity of living standards in the EEC. (1)

(1) Here we should remark that the GDP is simply the sum of the exchange values produced in a country, not of the use values. If, for instance, the urbanization of a country meant that the inhabitants, instead of living near their places of work, had to commute by train, car etc. by in-

What, however, is really important is the question of integration in the EEC. The Italian state constantly boasts that it is very pro-European and goes mad whenever Mrs. Thatcher dares suggest that the Common Agricultural Policy is a disaster and the political integration on the Community is a non-starter. The rhetoric covers the reality. Italy, second only to Greece, has been condemned by the EEC courts most frequently for protectionism and for overtaxing foreign products. It regularly fails to implement consumer protection laws. But more importantly as regards the economy, it hinders EEC trade by a whole range of measures. The following graph, from European Economy: The Economics of 1992 no. 35, March 1988 is based on an official questionaire conducted for the EEC of 20,000 firms. The interviewees were asked to rate in importance existing trade barriers of nine types by country. Italy was the most restrictive in 4 categories. If the recent EEC members Spain, Portugal and Greece are excluded as they are still in transition to full EEC integration, Italy is the most restrictive out of all the remaining members, and is first in 5 categories.

These additional costs to be met in importing and exporting goods to and from Italy mean that competivity is strictly limited.

Cost of customs administration and formalities to firms (in ECUs)

	Imports	Exports	(an ECU is approx. 66 pence)
Belgium	26	34	
Germany	42	79	
France	92	87	
Netherlands	46	50	
U.K.	75	49	
Italy	130	205	

Source: European Economy no. 35 p. 48
A calculation based on the study by Ernst and Whinney of 467 firms.

The total cost of customs formalities and delays was calculated at 7.9 to 8.3 bn. ECUs.

In other fields there are further big additional savings to be made by adopting a single market. The total saving has been estimated at 78.4 to 82.4 billion ECUs, the most important areas being in public procurement (21 bn.), financial and business services (25.5 bn.) and road and air transport (8 bn.), all the areas in fact where Italy is particularly weak and open to foreign competition.

One can envisage the various scenarios: delays to implementation of the new system, but this would affect Italian status in the EEC, full implementation, but this would overexpose many sectors to competition, or,

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(fn. cont.)
creasingly greater distances, the GDP would expand to include the measurement of the growing transport industry. The use of the GDP as an economic measure is therefore strictly limited. It has, though, become a measure of national pride, as in the case discussed above. Let us take this conversation as another example: "When I asked the ticket collector on the train (in Denmark) what the country's contribution to civilization had been, he immediately replied "Well, isn't our GDP very nice?"." (Domenique Bouchet Le Developpement Social (Aalborg, 1978, p. 21). The concept of the GDP as a measure is criticized throughout this pamphlet and also in Jean-Paul Malrieu In nome della necessita' (Naples, 1973).

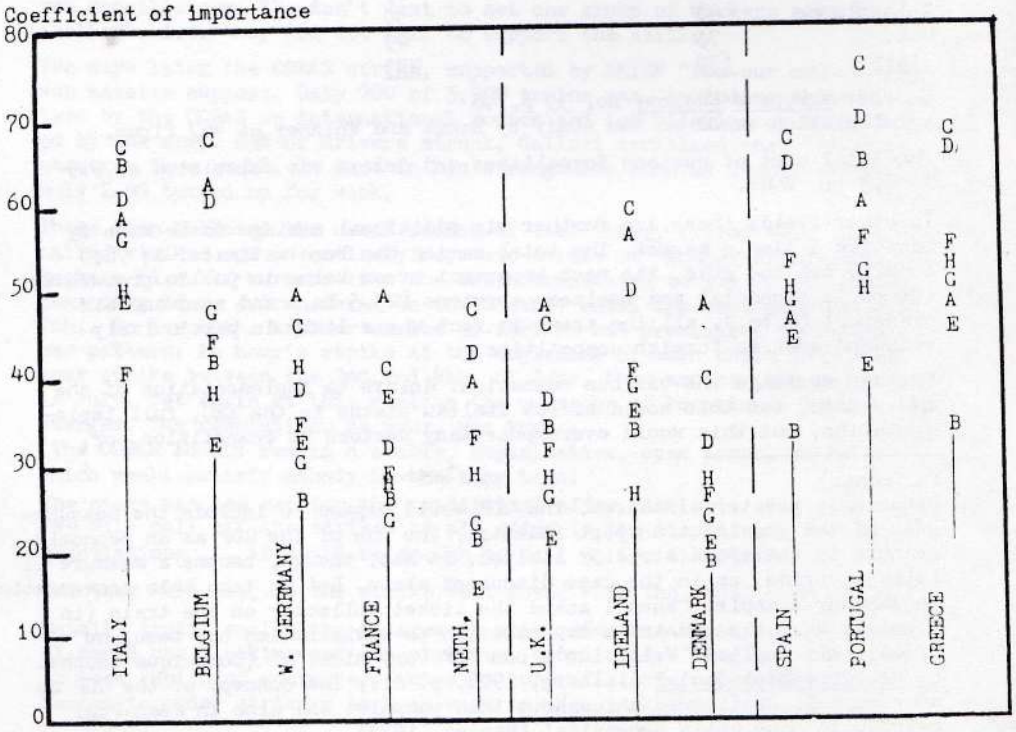
most likely, an attempt to fudge the matter and to water down the legislation in alliance with other weaker members of the Community who fear domination by the big north European service and finance concerns. Already other EEC countries are starting to moan about having to change their VAT rates.

Importance of barriers by country

All barriers are classifed as (a) very important, (b) important, (c) not so important. The coefficient is 100 when all firms consider the particular barrier to be very important. (Source EC Comission Survey: Nerb, 1987).

A = Standards, technical regulation
B = Public purchase of goods
C = Administrative barriers (customs)
D = Frontier delays and costs
E = Differences in VAT, excise tax
F = Transport market regulations
G = Capital market restrictions
H = Implementation of EC law

(The graph, from European Economy cit. Figure 3.1, has been redrawn to place member countries in position by order of joining the EEC. This shows that Italy has liberalized its markets least of the EEC founders, less on all 8 counts than the three new members who joined in the 1970s, and more or less on par with the new members of the 1980s.



Data on Financial Activity

VAT rates in the EEC, %	Reduced rate	Standard rate	High rate
Belgium	1 and 6	19	25 and 33
Britain	0	15	None
Denmark	None	22	None
France	2.1 to 7	18.6	33⅓
Greece	6	18	36
Holland	6	20	None
Ireland	2.4 and 10	25	None
Italy	2 and 9	18	38
Luxembourg	3 and 6	12	None
Portugal	8	16	30
Spain	6	12	33
West Germany	7	14	None
Commission proposal	4 to 9	14 to 20	None

(the italian basic rate is now 19%)

European prices for financial services

Percent above or below the average of the lowest four national prices found.

Standard Service		Belgium	W. Germany	Spain	France	Italy	Luxembourg	Holland	Britain
Banking services									
Consumer credit	Annual cost of consumer loan of 500 ECU. Excess interest rate over money market rates	−41	136	39	na	121	−26	31	121
Mortgages	Annual cost of home loan of 25,000 ECU. Excess interest rate over money market rates	31	57	118	78	−4	na	−6	−20
Foreign-exchange drafts	Cost to a large commercial client of purchasing a commercial draft for 30,000 ECU	6	31	196	56	23	33	−46	16
Commercial loans	Annual cost (including commissions and charges) to a medium sized firm of a commercial loan of 250,000 ECU	−5	6	19	−7	9	6	43	46
Insurance services									
Life insurance	Average annual cost of term (life) insurance	78	5	37	33	83	66	−9	−30
Home insurance	Annual cost of fire and theft cover for house valued at 70,000 ECU with 28,000 ECU contents	−16	3	−4	39	81	57	17	90
Commercial fire and theft	Annual cover for premises valued at 390,000 ECU & stock at 230,000 ECU	−9	43	24	153	245	−15	−1	27
Brokerage services									
Private-equity transactions	Commission costs of cash bargain of 1,440 ECU	36	7	65	−13	−3	7	114	123
Institutional-equity transactions	Commission costs of cash bargain of 288,000 ECU	26	69	153	−5	47	68	26	−47

Source: EEC Commission

The Problem of the Service Sector

We shall see later that most of the recent strikes have taken place in the state owned transport sector. Interest has been focussed mainly on the areas where such action has been unofficial or semi-official (the railways, Rome Airport and the Turin Bus Co.), although there have been a series of union run strikes among customs officers, ferry staff and service station staff during the same period. In the recent past there have also been other strikes: that of the dockers in Genoa, which dragged on for a long time in 1986-87, and also the strike of small lorry driver firms which virtually blocked traffic during part of 1987.

This concentration of discontent in just one sector, leaving aside the purely economic aspect, is a clear manifestation of the inadequate performance of the transport system as a whole. If we add the telecommunications and postal services, the picture is complete. We are dealing with an essentially state owned system that fails to produce services at the right price. The militancy of the response to managerial initiatives cannot simply be put down to the fact that the strikers cannot be sacked or that even if the firm they work for runs at a huge loss (the railways, post office), it cannot be shut down. This is what private industrialists would occasionally like to make everyone believe. The underlying reasons are the lack of organized investment and modernization coupled with an employment policy and work organization that is often purely a "jobs for the boys" approach (1).

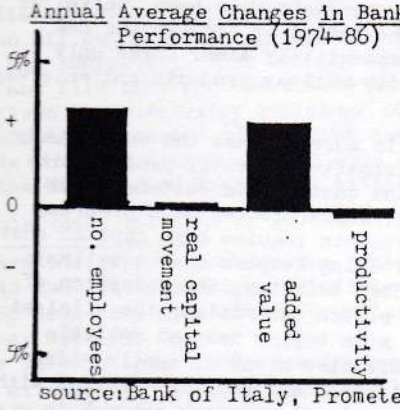
These major failures are now being uncovered by the 1992 legislation and the competition which it is or will create. The ports of Northern Italy are unable to compete with those of Northern Europe even in dealing with trade from the Italian industrial triangle. Attempts to increase productivity among port workers led to a long series of strikes and other action in Genoa, something which is likely soon to be renewed as the state plans

(1) This is a widespread assertion that is frequently documented. Sticking to our sources, this letter by the Coordinamento di Base dei Delegati Pp.Tt. (Rank and file postal workers delagate committee - Milan) published in La Repubblica (24.9.88.) states:
"It's true: it is the CISL rather than the modest UIl or the incredible CGIL which controls the entire management apparatus of the post office, most of all at a middle management level, even making management activity and union activity one and the same thing. Besides, it obviously has both above board and hidden support from political groups with which it shares various common interests. Thus most of the workers are kept in servitude right from the day they are taken on and such a state is maintained daily by an extremely provocative clientalism. Union dues (more than £400,000 per month to the CISL) have, for the workers, the same function of a bribe to be paid to ensure a quiet life and to demoralize the category. Personnel management has no other aim than that of predetermining an uninformed coagulation of passivity in terms of political willingness, for whom low wagesonly correspond with the widespread and continuous payment of bonuses, overtime and various handouts (...) Here productivity does not even exist as a concept: it is used simply as a number in any case, including the inflation of jobs to permit taking on those to whom jobs have already been promised and paid for..."
In another context, that of the hospital system, such a system, when it breaks down (or when the police arrive to arrest the hundreds of absentees who have clocked on and then vanished) can often collapse and produce violent struggles, such as in some Rome hospitals a while back.

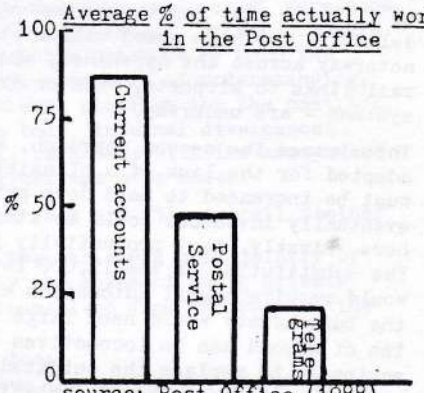
to sack many more thousands of dockers (1). The post office is unable to compete even in the letter post in major cities, not to mention its near absence in the field of parcel post (2)

The deregulation by 1992 will hit particularly hard these services and that of banking and insurance (i.e. capital movements). Some of them will obviously remain monopolies (nobody in their right mind would want to build another railway system, even if some companies would be willing to invest in the proposed high speed rail system, as long as they can dictate productivity and job organization).

There are two further factors to consider. Firstly, the extremely optimistic free market ideology in transport has been overshadowed by the near collapse of transport systems during busy periods. The most obvious example is the endless delay to air departures in summer months, which is a European wide problem, but endless traffic jams on motorways and overcrowding of trains are also widespread. Since the solution to part or all of this problem is international, there can be no simple remedy of free markets and cost cutting (3).



source: Bank of Italy, Prometeia



source: Post Office (1988)

(1) The strike at Genoa was settled in March 1987. The port slowly began to win back trade after years of losing it. (Between 1971 and 1985, it saw its share of container traffic for the big 5 Italian ports fall from 69% to 29%. Now the state wants to cut the total workforce in the docking business from 11,000 (1980 21,000) to less than 7,000 by 1990 coupled with the end of the dockers' 'corporations' and the beginning of competition. This seems to be an unlikely objective without further disruption. (cf. La Stampa 21.3.87. and La Repubblica 9-10.10.88.)

(2) To take the example of Turin, not even state firms or bodies use the post office mail delivery service. The banks, electricity and gas companies and even the town council use a private agency. Perhaps they are worried tha late (or non-) delivery would mean that their bills would not be paid on tim

(3) This solution, when practised in the USA, led to the collapse of many airlines and the reintroduction ipso facto of monopoly systems. In banking, the opening of stock exchanges to all and sundry abolished one monopoly, but strong competition bankrupted many of the new dealers, and a new monopoly emerged. Wisely the latter day prophets of privatization have so far avoided letting ex-state monopolies be broken up into competing industries. The resources wasted as all the contenders bar one went under would be enormous.

Secondly, in contrast to the above factor which will slow down market changes, the World Cup to be held in Italy in 1990 may well be accompanied by a collapse of the transport system. Many of the stadiums being built will have no real public transport access, while the transfer of hundreds of thousands of fans from one end of the country to another could prove disasterous.

There are two types of response that the state can offer. It could invest in its transport sector directly or by raising capital on the stock exchange, hoping that the increased use of its systems would cover costs and allow for a relatively painless restructuring of it by means of productivity deals and early retirement payments. This would be to follow in the path of Italian private industry, lead by FIAT, in the 1980's.

It is very unlikely that a programme of this kind could be adopted. Many of the transport services could never be made profitable and would have to be closed, causing widespread discontent. The extremely long time needed to carry out major transport investments also mean that investors are hard to find (a good example is the Channel Tunnel), particularly so on a small and depressed stock market, and a bankrupt state cannot afford to fill the gap. For these reasons, many projects have been shelved or delayed - the high speed rail system, the bridge to Sicily, the new motorway across the Appenines, while comparatively minor works only - rail links to airports, work on inner city railway projects and motorway systems - are underway.

This leaves the second approach, which is more or less the one already adopted for the lack of a plausible alternative. Firstly productivity must be increased to hold down prices and costs, then customers and eventually investors could be attracted. There are two main problems here. Firstly, many productivity improvements require high capital costs. The substitution of the 11,000 level crossing keepers on the railways would require signal automation and bridge building, the reduction of the bureaucracy would need large scale office automation, the elimination of second men in locomotives would mean buying new and reliable equipment to replace the outdated or defective stock presently widely used. The airline needs to substitute its old and smaller aircraft with larger ones, the banks need to build a national computer network to eliminate credit fraud and to reduce manual operations, the telephone company has to catch up with years of low investment in the past. Even when funds for such investment are made available, the results are often lacking. The post office made huge investments in mail sorting in the 80s only to see productivity fall by 20% and the deficit rise 8 fold because no parallel operative changes were made. The existing section of the high speed rail network (Rome-Florence) will have to be closed and modified because the tunnels were incorrectly built. Even then no locomotives will be available to run trains at the speed suggested.

Secondly, the question we are dealing with here, any sustained attempt to improve productivity without offering economic incentives and job security is bound to meet strong resistence that, as we shall see, can only take place outside the traditional union framework.

Airlines

Labour costs as a % of total costs

Alitalia	39
KLM	33
British Airways	25

: source: Salomon Bros., La Repubblica

Telecommunications

	Earnings per main line	Lines/Inh.	Investment/Inh. 1983-5
U.S.A.	736	50	67
West Germany	620	41.9	103
France	633	41.7	82
Japan	443	37.5	58
U.K.	612	36.9	49.4
ITALY	420	30.4	58
Spain	370	24.2	39

Source: OECD, La Repubblica 20.5.88.

Telephone installation times:

Paris 2 days
Italy 3.5 months

Telephone repair times: (legal requirement)

U.K. 2 days
Fr. 7 days
Sp. 6 days
Italy no requirement to repair 'phone

Source: BEUC, La Repubblica 13.7.88.

Telephone charges:

Call (3 min.) Rome to London £(It.) 5,700
London to Rome £(It.) 3,600

Source: Ibid.

Postal service:

Average delivery times of first class mail: Milan to Trieste 4.1 days
Ro to Rome 7.8 days
to Naples 9.0 days

Cost	(Italy)	650 lire
	France	481 lire
	U.K.	448 lire*

(*) Cost on 8.10.88. average delivery times France and U.K.: under 1 day
Source: Italian Post Office etc.

Administration of Justice

	Italy	France
Prisoners per 1000 inh.	58	77
Lawyers per 1000 inh.	89	29
Average length of a civil case	1,116 days	344 days
Average length of a criminal case	857 days	240 days

Source: La Repubblica

The Schools; Resources and Products

The crisis in the schools sector can most easily be seen by refering to the resources employed and the product. The categorical refusal to consider these questions has been shown by almost all the components of the debate, with their endless references to the 'specificity' of the school. Thus the right (copied but not completely by others) reproposes the "centrality" of the school in society, but not therefore its capitalist nature. In fact the Jesuit function is proclaimed. GILDA follow this and recall the pre-capitalist guilds (GILDE) of the past as the model for the school. The COBAS too reject the possibility of a "business type evaluation of schools" along an "enterprise model" line, but all the same state that their "professionality" (1) must be rewarded financially - applying ipso facto a business type evaluation.

This wishing away of the crisis of the school sector convices few others, least of all students and their parents, from whom there was a hail of criticism of teachers' performance during the movement (2).

(1) "PROFESSIONALITY"
"Never has there been such an amount of talk among the employees of present day "services" about professionalism and professionality, while in the meantime almost all remaining traces and recollections of independent professions seem to have disappeared ..." (Dizionarietto ad uso dei Comitati di Base della Scuola (Little word-book for school Cobas) A pamphlet produced by some participants in the movement, June 1988.

(2) The higher echelons of the educational system (headmasters and lecturers in universities) and in trade unions and management are even more critical: they use terms such as "superfluous schools", "the backwardness of the entire school sector", "When will teachers have some training?", "the school is entirely lacking as regards the rapid changes in the industrial sector". These remarks come from Formalavoro 1/2, a journal produced by the Turin Province Educational Department on the relations between school and work.

Then there were the usual letters to the papers, the teacher who wrote to La Stampa to say that she could easily do all her work in less than 500 hours a year and wondered what all the fuss about hours was, the student from Livorno who wrote to La Repubblica to say that 8 out 10 of her teachers were totally incompetent and boring (letters also appeared on other students who orgnized campaigns to 'mark' their teachers). This letter was written by a headmaster and represents the point of view of those who regarded all the chat about "professionality" as so much eye-wash:
"There is talk about changing the school and about its centrality, which is really necessary. In 1992 Italy will be swimming in an open sea without a life jacket and what will really count is knowledge. Thus the school, the creator of knowledge, must play a central role, but there are two basic conditions:
1) the timetables worked by teachers must be doubled
2) the holidays of teachers must be cut from $3\frac{1}{2}$ to one month
3) asses can no longer be made teachers and those who have been must be kicked out.
To obtain all this the teachers who really want to change the school must declare war on whoever sees the school as a second job, the whole army of accountants, architects, geologists, private lesson stakhanovites, shopkeepers ..." (La Repubblica 4.5.88.)

We should examine some statistics on the product and the resources used to obtain it to clarify the question. The whole system is like a leaking bucket: only 56% of the adult population have anything better than a primary school leaving certificate, 5% are illiterate, of those who can read, 51% never open a book again after leaving school while newspaper and magazine sales are very low. Although the schools expel pupils in large numbers (even before the minimum leaving age), those who get to the end pass the 'A' level equivalent in 95% of cases. Since this qualification is largely useless and guarantees an unemployment rate 50% above the average, students flood into universities (there are 791,000 enrolled) but the poor preparation means that 25% drop out almost immediately and on average it takes over 10 years to graduate (only 9.5% of students enrolled graduated in 1987). In terms of the final product, one can make this comparison with other EEC countries:

	Graduates (1987) per thousand population	Science/Eng. Grads.
W. Germany	2.06	0.46
France	3.00	0.77
U.K.	2.30	0.71
Italy	1.38	0.37

Thus there is a very small graduate population which is having a bad effect on industry in particular. Already FIAT has to recruit about ⅓ of new engineers in the South (and with 1992 this will be all the EEC) because of the lack of them near its production sites. At a lower level, school frequency rates are very low, the lowest after Luxemburg and Portugal in the EEC, while the quality of teaching in key areas, such as science, is poor; a recent survey placed Italy 19= with the Philippines out of 20 countries from Europe and the rest of the world(1). In fact the so-called scientific high schools usually have no practical classes, but are awash with lessons on Virgil, Shakespeare and Molière.

This poor performance tends to reproduce itself. Except for a few areas, there is virtually no teacher training. The selection of teachers is made on the basis of purely theoretical knowledge (the entry examination contains absolutely no reference to the ability to teach), then there is no inspection at all of schools and teaching and since teachers are unsackable by law, there really is no point either. The fit between teachers and subjects is often inexistant; lawyers teach French, accountants English and those who did literary degrees teach history, geography, Latin, Greek, Italian and "culture".

If this bad result was caused by underinvestment and scarce resources, the problem would be put in its correct place. However, the provision in financial terms is extremely lavish. The average ratio of teachers to students is now 1:9 compared with a European one of 1:22. This ratio is falling as schools lose students due to the low birth rate and the state continues to take on new teachers. While the number of teachers rose by 200,000 between 1980 and 1988, school rolls began to fall, in all about 1.2m less by the year 2000.

Carniti, the head of the Government Salaries Council (and ex-union leader) made this comment on the 1988 pay agreement:
"The result is that teachers in Italy are the best paid in the world,

(1) A report by the International Association for the Evaluation of School (La Repubblica 24.3.88.)

if we take the ratio of teachers to students of 1:9 and the number of hours worked monthly. There is not a country in the world, not even in the third world, where such large pay rises have been made, while there has also been the recent hiring of 100,000 new teachers when students have fallen by 1,200,000. And that is leaving aside the quality of teaching which should be closely inspected. We are not considering either that among teachers there is hidden a large number of off-the-books jobs such as private lessons, and second jobs that are not declared. It makes me shudder to think that every year schools kick out 100,000 pupils before the minimum leaving age (14 years) and do not give a damn about it." (interview in La Repubblica 17.6.88.)

Of course what made Carniti shudder even more was the prospect of this group dropping its traditional political alliances and unions.

Indeed, a study by CENSIS considered the positions of the rank and file movements to be similar in some ways (rejection of unions, payment for professionality etc.) to Japanese style relations and thus that the movements could be recuperated by a company style policy, removing the intervention of the state and its trade union followers (including first and foremost Mr. Carniti)(1)

(1) See La Repubblica 27.10.88. In a different way an article in Collegamenti points to this crisis of representation and identifies 4 types of teacher with conflicting aims and backgrounds, making any talk of "a" movement of the "entire category" useless. The article concludes by calling for a debate within the COBAS to establish a criticism of the school, not only the questions of pay and conditions in a narrow sense (G. Ponsetti 'Formazione, riproduzione (e COBAS-scuola)' in no. 21, Spring 1988). A similar position appears in the pamphlet Dizionarietto.... quoted above:
"VAGUE:
The struggle for the defence and the refinancing of teaching as the Rank and File Committees proposed leaves vague the problem of what may really be done in the school system. Workers in schools cannot limit themselves just to asking for better treatment. To do what? This question implies a doubting of their work and their real relations. So far nothing has moved in this direction. Teachers have clung onto absolutely normal relations with students and this after 1987 saw us living through the first great struggle involving the entire category, but which brought no change in the daily reality in school, nor an overall questioning of its contents." (p. 39) One could add after a 1985 which saw a large movement among high school students too.

The movement in the schools

The unofficial movement in the schools grew out of the rejection of the three year contract accepted by the unions in 1987 (after years of delays) and the second one signed in the summer of 1988. The first COBAS (Comitati di Base, CdB) were formed in June 1986 at the end of the school year, but it was only in December that a national meeting could be arranged to produce a platform of demands;
- a £160 a month pay increase for all (including non-teaching staff)
- a cut in the maximum size of classes
- regular contracts for those employed on a supply or annual basis (precari).
A second mass meeting in Naples in March 1987 changed the structure of this body. Delegates were to be elected by provincial mass meetings (there are nearly 100) and special bodies were to be created to deal with individual questions. In May they held a national demonstration in Rome attended by about 40,000 and representing the high point of the movement, but also the emergence of the splits in it. The demonstration was held in the period preceeding a general election and quite a few on the march used this coincidence to put pressure on the government to pay up, hinting, or often even saying outright, that they would vote for 'another party' if they were not satisfied - a classical clientalist position. They managed to have the contract finished and the leaders of the COBAS even got to meet the Prime Minister of the moment. The movement fizzled out in June for the obvious reason that there is no point in striking when the schools are closed. At one school, where the leader of the COBAS teaches, the slide was as follows: in May 50% blocked marking and mark registration, by June 7 this was 17%, 8% two days later and only 3% on June 13 (interview in Rivista Anarchica 151 p. 36). This was a pattern followed almost everywhere that the movement had gained a foothold.

We should pay some attention to the division(s) that appeared in the movement. As early as the beginning of 1987 the COBAS body was reformed and the CEP (=Provincial Executive Commission) began to take decisions which were later ratified by the mass meetings. This obviously dissatisfied many in the rank and file, so the CEP was increased in size to be more representative from 100 to 300 (2 per province = 120 as only 60 provinces had COBAS, plus 1 for every 10 COBAS rank and file committees). The second organizational question, whether to register as a trade union or not, was never resolved.

A more important reason for the split which was later made official was the objection to the autonomia style of the CEP. "Some said our mass meetings seemed to be a replay of 1977, and this was in fact true" (Sandro Gigliotti, a COBAS leader, ex-'77 leader. His second in command was a Trotskyist from that group which favours entry into the area di autonomia). This criticism was voiced even by those who did not follow the alternative 'line': the mass meetings held with a single speaker with the microphone, the vote on a head count, which always meant that the Rome delegation could win as they were the most numerous. The criticism made of the other line was that it "could easily be understood as exclusively corporatist" (interview with Paolo Grillo in Rivista... p. 39)
But for the time being the differences were glossed over by the fact that from nothing the COBAS had obviously gained enormous support in schools.

The return to school in September saw the renewal of the movement as a fresh three year contract was already on the cards (the previous one having been signed so late). The split occurred because of the national demonstration

held in Rome on December 12th. Although it was logical to hold a demonstration on a Saturday and other Saturdays could not be used because the train drivers were about to begin their strikes, Dec. 12 is the anniversary of the bomb attack in Piazza Fontana, the beginning of "the movement" back in 1969. The demonstration was used by the group of autonomia exiles in Paris to distribute a leaflet. All in all the very worst fears of most teachers that the COBAS was an autonomia 'trade union' seemed to be confirmed. Only 3,000 turned up and the parallel strike attracted a very low support (3-6% among teachers, but 33% among students, none of whom could conceiveably remember 1969 and all that).

There were now two parallel COBAS. The main stream that maintained the old platform and the GILDE (guilds) which developed a pay claim differentiated according to the level of work (i.e. their support, which was mainly among high school teachers, would get the most). This body called for working to rule after the reopening of schools after the Christmas break.

The COBAS held a new meeting on January 24-25 (169 delegates from 47 provinces (=50% only) and 1,200 committees). The platform now called for a wage of £870 per month for all. But there was fresh criticism of the leaders. "There is a great division between the political leaders and the category" (Padua delegate).

The GILDA organized their own assembly a week later with representatives from 30 provinces. Their platform was for teachers to be considered not as state employees, but as " professionals of the state". The split was widened. One delegate, apparently an ex-Lotta Continua militant, stated "We are not interested in ideologies and we'll have nothing to do with those waving old flags from the left-wing supermarket". Of course he was only expressing another ideology. Here we can remark that those who organized the campaigns of the early to mid 70s on "autoriduzione", that is not paying gas and electricity bills, could now call for the prosecution of tax evaders without the most minimal reflection on this contradiction. The split was complete. The COBAS and GILDA would hold their own separate meetings, on the same day, at the same place, but in different rooms.

As far as activity was concerned, both GILDA and the COBAS joined the autonomous union (SNALS) in blocking marking and registration (while the CGIL called for cutting the pay of those who did so). The government refused to open negotiations until ordered to do so by the courts on March 3. In the meanwhile the elections to school councils had seen the rout of the official unions and the catholic organizations, an increase of the SNALS (to ⅓ of votes) and local successes for the COBAS in Bari and Naples. The mark blocking (and the negotiations) dragged on like in Napoleon's Russian campaign, except here the state was awaiting the summer holidays, not the winter cold. Thus in May the SNALS called for striking in first and last lessons too, the COBAS for a national strike.

In fact the state was faced with a frightening prospect. It would have to find money to pay 959,750 teachers and 172,000 non teaching staff. Although various offers were made, it was quite clear from the start that the money would also have to come from good housekeeping: the closure of small rural schools, delays in calling supply teachers to cover for absent teachers, bussing of students, and, most importantly, the increase in the work load of teachers. But all this was long term, part of a long delayed reform of the system, while the question had to be

resolved by June. The first offer was therefore rejected by all the parties involved, including the official unions.

On May 7 a national demonstration was held in Rome, organized by GILDA, COBAS and some smaller bodies. This time COBAS was at the back of the 50,000 strong march. The slogans were the usual ones: GILDA "For the centrality of the school system", COBAS "Get the tax evaders, pay the teachers". The blocking of the end of year exams was confirmed. One teacher, Walter Cecchetti of the Committee of High School Teachers said "We hope that the government doesn't let this mean an automatic exam pass for all" (usually "only" 95%+ pass at 19, only 1% fail at the eleven plus equivalent).

The government now refused to meet the SNALS as long as the block continued and self-regulation of strikes was not respected. The SNALS, which had criticized the march because it was something that "factory workers do", held an assembly where this "Polish" position of the government was greeted by calls "to occupy the schools"! In fact the continuation of strikes during first and last lessons was agreed, with an additional timetable of rolling one day strikes during the week May 23-28. The COBAS, evidently lacking any real hold on the situation, could merely appeal to its supporters to strike on their "busiest day" as individuals.

The government raised its offer and called the three confederal unions, the SNALS and GILDA to talks. The COBAS were excluded. With the rapidity of a frightened rabbit, the unions and government managed to work out an agreement in less than a week. The contract was signed, sealed (but not delivered) by the CISL and UIL as well as the SNALS and GILDA, only the CGIL remaining apart.

The COBAS thus were the only ones to continue in an organized way to oppose the contract. Their support, however, had evaporated. In Naples, their stronghold, where they proclaimed they had support of 40% of the teachers, only 1-2,000 out of 50,000 turned up to a demonstration organized on June 3. GILDA too began to dissolve. The signing of the contract by the leaders was opposed at a mass meeting and the leaders had to back down at the final official agreement. Thus three unions, representing 59% of teachers signed, the remaining bodies representing 41% did not.

The problem remaining of course was that even 41% was enough to block the basic bureaucracy of the school system. The government rushed through an order in council to allow the marking of students by teachers who did not teach them. The 'A' levels were thus saved, while those who wanted to block other final examinations were recalled throughout the month a June until they too gave up. On June 27 GILDA signed the contract, but also signed its death sentence as most of the delegates refused to vote at the mass meeting organized beforehand. A month later to the day the CGIL turned up like a lost dog to put its cross to the piece of paper, all the same stating that the contract was "a waste of money", all the pay increases being based solely on seniority, not on merit.

The COBAS could do nothing now. Schools were closing and the examinations had been saved. All they could promise was a 'hot autumn' and began to back off into purely legal-technical questions: the 'right to strike', the rejection of the privatization of the school system (a red herring that the state had thrown down to replace the now rotten one on the question of religious instruction). The 'hot autumn' did not arrive, but the COBAS attempted to link themselves with the railway workers COBAS by attending a national demonstration on November 5.

The Train Drivers' COBAS

How did this movement of struggle emerge?

"The roots are not to be found in this contract, but in the period of crisis lasting 20 years that has swept through the drivers. At the beginning 76% of drivers were CGIL members, but this slowly fell apart. Many left in the hope of finding better conditions with the autonomous union FISAFS, others just gave up and now the CGIL has only 20%. ... 1980 saw the first sparks: the wildcat strikes called by the Pisa and Florence Delegates Council which were reabsorbed by the union with an agreement signed with the railways and the Transport Minister. But this was all a ploy because when it was time to implement the real improvements, nothing in the agreement was respected, the union failed to pursue the matter. After 1980 we slowly built up solidarity among the workers by means of complaints, information and other initiatives through the paper Ancora in marcia (= Still moving forwards). Then there was the first demonstration, Rome April 28th., with 350 drivers. After Rome there was a strike on May 7th. in the Venice Region where there was an especially important group, the editorial board of Ancora in Marcia and where there is the possibility to get workers together quickly as there are only two locomotive depots in the region. This is why Venice Region led the way.
On 23rd. June there was a strike in 9 other regions, July 26th. saw the first national strike of all drivers in all 15 regions. Since then there have been another 3 (14 and 16 September, 3 October)."
(Interview with Ezio Gallori, a figure important nationally in the drivers' COBAS, driver from Firenze, 25 years on the railway, CGIL member - in Rivista Anarchica 151 p. 26, all dates refer to 1987).

How did the Coordinamento Macchinisti Uniti (United Drivers Liaison) start and develop in Rome?

"After receiving news of the proposal and the May 8th. strike in the Venice Region, we too in Rome, after a mass meeting, decided to circulate a petition to join the strike. So on June 12th., when the count of signatures showed that there was strong support, an assembly of 100 drivers from Rome region decided to proclaim a strike for June 23rd. The strike was a complete success with a very high turn out.
Clearly to organize a mass meeting, to bring out leaflets, to collect signatures, the mass meetings bit by bit elected a liaison committee composed of delegates from depots in the region which reported to the National Technical Liaison Committee."
(a non-union driver, interviewed in ibid. p. 28)

These two interviews provide an accurate idea of the origins of the movement on the railways. Several points emerge:
Firstly, the movement was in no way a spontaneous outburst on the part of the drivers, nor even something that could be put down entirely to the drawn out deterioration of the drivers' economic position and their status (1). It was developed around small nuclei of those who had been

(1) This question of status is very important in defining the "specificity" of the drivers. A study commissioned by the Transport Section of the CGIL in Lombardy in which 941 drivers in Lombardy (c. 33%) were interviewed, found that drivers considered themselves, along with airline pilots

involved in earlier struggles, even very much earlier struggles, and had had a whole series of relations with different unions, including above all one which seems to be a close parallel to the present movement, the wildcat strikes organized by the Pisa and Florence delegates with the latter later being reabsorbed by the unions(2).
Secondly, even before the strike movement got under way, there existed some sort of inter-regional if not national exchange of information. One should not be surprised here that strikes began regionally and then became national. The structure of the organization of the railways means that there are very often regional grievances and union run regional strikes as warnings to management. In fact the rank and file movement in no way went beyond the strike tactics used by the official unions.
Thirdly, the strikes and the movement right from the beginning were seen as entirely a matter for the drivers, not for those in stations or signalling, nor for guards, and not even for the second men on locomotives. Some of these categories later formed their own liaison committees, but never obtained the levels of support and importance as that of the drivers.

It was the last of these strikes, that of October 3rd., that led the unions to attempt to come to some kind of agreement with the rank and file body. The discussions, originally called "a basis for discussion only" were soon broken off and Gallori called them simply "a provocation", after pressure from his supporters. This was one of innumerable attempts by both the rank and file body and the unions to come to some sort of understanding, but given the complexity and range of problems: platform for the contract, organizational status of the rank and file body, internal divergences inside both the unions and the body itself, relations with the management and the Ministry of Transport; little progress was ever made.

In this case, the lack of agreement led the rank and file to call another

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to have the top jobs, while the bottom of the table was held jointly by guards and stationmasters. Thus immediately the movement among drivers can be seen as a mode of differentiating themselves from the rest of the railway workers.
Other parts of the survey are interesting too:
most drivers are young ($\frac{3}{4}$ under 40) and have the equivalent of 'A' level qualifications (2/3),
most (2/3) are "happy with their jobs" but almost all (99.1%) feel that they are underestimated,
54.5% are inactive in the unions and 76.5% feel that the rank and file committee represents their interests,
2/3 think that the unions will never overcome this crisis and a further 1/5 feel that they will never regain consensus,
BUT 45.1% are in favour of self-controlled strikes.
(Study by the Istituto Superiore di Sociologia in La Repubblica 15.4.88.)
Although no questions on the economic aspect of the struggle were asked, we can see clearly how important the question of high, but unrecognized, status was.

(2)Let us take the example of Ezio Gallori, one of the main figures in the movement: a long time trade union member, once member of the Democrazia Proletaria (a left wing party, a bit like the SWP in the U.K.), now a town councillor for an ecology party in his home town near Florence, who thinks that "Taking out a train is one of the greatest things in the world". Thus a completely normal and typical railway driver, very far from the image projected by the media.

24 hour strike in December. Apparently in this case support fell off slightly to 80% (rank and file figure) or 69% (FISAFS figure) due to the use of faithful workers and the military railway personnel. It was even noted that drivers from other national railway systems, on reaching the Italian border were persuaded to continue their journeys to the destination in Italy.

Immediately after the Christmas "truce" in public transport, accepted by all transport workers, including the rank and file body, began. It lasted from December 17th. to January 7th. This period, however, was used by all concerned to organize for the period after the truce. The CGIL again began to approach the COBAS; in the words of their transport section leader, Mancini: "We cannot afford to ignore what the rank and file mass meetings have said". The COBAS organized a new referendum on the contract, having called for abstention from the union run one held the previous year which, on a low turn-out, had given the unions the mandate to sign the contract in December 1987. This new referendum was scheduled to provide a result on January 15th., a full week after the end of the "truce", which gave the autonomous union FISAFS the chance to organize "their" strike on January 10-11th., before the COBAS could organize further action after the result of the referendum.

This manoeuvre had a strange consequence. The recently formed stationmasters' and guards' COBAS, which had proposed its own strike, called it off and shifted their support to the FISAFS as this union "had taken on board our demands" and "after seeing with pleasure that FISAFS alone among the unions did not sign the productivity deal with management, we provisionally place our faith in this union." Implicit in this move was the lack of agreement with the drivers' body, something that emerged again later, and which we have seen was rooted in the drivers' attitudes towards their workmates.

The referendum held by the drivers' COBAS showed that of those who voted (100% in N. Italy, 70% in the South), 90% rejected the agreement of December 13th. Gallori became more forceful. He asked why those who had rejected the agreement and had participated in strikes against it were not receiving the pay increase contained in it, unlike those in the unions. "The unions sign a contract, then call a referendum. Only 82,000 out of 200,000 approved the contract." The stationmasters' COBAS too asked why "the Minister of Transport has not respected the contract increases for those on strike". Thus this question became central. The unions were split over the Minister's decision, the CGIL being against, the CISL and UIL in favour. Gallori continued: "The Minister's instruction is illegal and will not stop the drivers' struggle, which will also employ legal methods."

The Demands of the Drivers' COBAS

	Drivers' COBAS	Agreement Union-Railways
Total monthly hours	160	170
Weekly rest period	two full days	58 hours after each shift
Fixed drivers' indemnity	300.000 lire	-
Productivity pay	-	100.000 lire
Job creation	3.500 jobs	-
Productivity increase	-	+15% 1987-89
Maximum working day km.	450	No limit with automatic
Limit on use of single man km.	160	Regional agreements | signal
Limit of daily working hrs.	8 hrs. 45 min.	" "

As in many other struggles in many other contexts and in other countries, the question of legality was beginning to emerge as a key issue over and above that of the original demands. We can find this trend developed in three ways.

Firstly there is the case already mentioned. The blocking of a pay rise in a contract solely because the workers involved rejected the contract. This was a patent provocation and nearly all commentators could see that it was quite illegal. However, the Minister's intervention managed to divert at least some energy away from the struggle and into legal channels.

Secondly, the holding of the referendum gave the COBAS another measure of support. But why when they could obtain an 80-90% following in their strikes did they need to hold one in the first place? Obviously there was a tendency to attempt to demonstrate the democratic nature of the rank and file body.

Thirdly, there was the question of who really represented the drivers. In a bizarre court case a letter-writer to a Trieste daily was sentenced to pay a small fine for having libelled the COBAS drivers by calling them "country tram drivers". The judge's summing up stated that the COBAS were more representative of their category than the unions. This provincial magistrates court decision was hailed by the COBAS as a legitimation of their demand to sit at the negotiating table with the management and the unions.

The reasons for this trend to resort to legal questions (and there are other cases of quoting from the Constitution, from Presidential Decrees and Laws) are rather complex. Obviously after a long series of strikes which obtained nothing at all in respect of the COBAS's quite modest demands, there could only be disillusion and the attempt to find ways of getting out of this impasse. Then the Christmas "truce" and the long period after of running the referendum, considering legal action, then finally calling a delegates meeting to organize new strikes, meant that a long period of a month and a half passed without any strike action, leading inevitably to frustration. This scenario can be completed by another tendency, which was to emerge progressively over the next few months, but was present right at the beginning of the struggle. After 6 months the organization status and structure of the COBAS should be examined and the question of relations with other groups engaged in struggles, if not society as a whole.

In fact these questions emerged openly at the national delegates meeting after the referendum. A split began to appear between "militants" and "moderates". The former wanted to lengthen the strikes to 2 days (or even 2 weeks) and to have done with any discussions with the unions: they wanted to form a new union for drivers. The latter proposed to continue as before. A compromise was reached with the agreement on a series of one day strikes. The question of an alliance with other autonomous groups remained unresolved, breaking down really over the relations with the stationmasters' and guards' COBAS. (Locally too the meetings of various COBAS never had much success. At a meeting in Turin of the tram drivers' and teachers' groups, a leader of the drivers stated bluntly that he couldn't stand lazy workshy teachers! The fear that a national organization of various COBAS would emerge was quite unfounded.)

Another new aspect to this meeting was the attempt to form links with the outside world so as to break down the isolation of the COBAS. All and sundry

were invited to attend: union leaders, politicians, the head of the Church in Italy... but in the end only two left-wing politicians turned up.

Having correctly considered that the attempt of the COBAS to become a social force had been a failure, the Minister cunningly remarked after the meeting that his proposal (on the pay increase) had been made merely "to help remake the relationship between the unions and the COBAS" and, as night follows day, within 48 hours the COBAS called for a meeting with the Minister and the unions, while the unions obligingly called the Minister's proposal "inapplicable" and therefore the Minister equally obligingly "froze" it. This little dance having been completed, the COBAS found themselves back at the beginning: the Minister refused to meet them so they were forced to call a strike for the end of the month (January 28th.), which drew yet again the support of 80 to 85% of the drivers.

By now, however, the lack of progress on the question of representation led to the split in the COBAS taking on a formal dimension. On February 10th, the new drivers' union, AMIEF, was established, calling for a pay increase of £250 a month (twice that of the COBAS). The remaining COBAS, around Gallori, instead proclaimed a new strike for February 29th.- March 1st.

Yet another union attempt to make up with the COBAS was now made, strangely enough from the UIL union. This opportunity was seized upon by the COBAS (the only other person interested in their cause recently had been the Archbishop of Milan);
"The letter (from the UIL - trans.) is a positive development in the negotiations as he (the UIL leader, Benvenuto) has always supported rewarding professionality and does not deny that the demands made in eight strikes are valid. He, it is true, does not support our strike because they effect the users, but we too are worried about this and would be all too happy to call them off and to sit down together seriously to find solutions, something we have wanted to do for a while." (1)

This opening offered by the UIL was followed up by a meeting between the COBAS and the three confederal unions. The COBAS negotiators agreed to drop their demand of a £125 monthly drivers' indemnity payment if the unions agreed to change their contract platform. The COBAS were also prepared now to accept productivity increases. However, despite the loss of the more hard-line exponents to the new union, AMIEF, the draft agreement was rejected by the COBAS rank and file and the whole episode succeeding only in generating new splits. As Gallori himself explained:
"Many say that the COBAS are finished... it's all lies ... 70% of drivers

(1) Perhaps this is the place to outline the effect of strikes on the railways. Since the vast majority of traffic is long distance and very little is commuter traffic, a 24 hour strike would have the following effects: long distance travellers would simply postpone their trips while commuters would use substitute bus services or make their own arrangements. The inconvenience would in fact be minimal. Regional strikes, however, would be more effective. As the railway system is not centralized around one point (as around Paris in France or London in Britain) strikes in just one or two regions could block nearly all north-south traffic (for example, nearly all such traffic passes through just one region: Florence-Pisa). Even a strike just at the one big Rome station (Termini) could paralyse traffic for hundreds of kilometers.

The offer by the COBAS to provide a social service for commuters, which the railway management always rejected, should be seen in this light.

support us. (...) What stops us from reaching an agreement are the games being played inside the unions... so at present we cannot dissolve the liaison committee (one of the unions' requirements - trans.). The unions are too far removed from the workers' interests. We shall dissolve it when the unions again decide to carry out their function, (...) our category wants to have a real relation with the unions, we weren't born out of an antagonism with the unions. (...) We have abandoned the drivers' indemnity claim and we are ready to discuss our re-entering the union, but we must at least have political recognition." (Interview in La Repubblica 17.2.88.)

Here the shift has been almost completed from a series of pay demands to the demand for "political recognition".

The position of Gallori allowed the unions to reopen discussions the very next day (instead of March 31st. are previously planned) and a fresh draft agreement was reached:

- a commission, including the COBAS, to study the nature of drivers' jobs (to report back by March 31st.)
- a second commission to study the question of productivity increases
- basic agreement on other points in the platform
- the unions to reopen negotiations with the management by February 29th.

This draft too was rejected by the COBAS rank and file, but over two other points:

- no introduction of single manning
- no dissolution of the COBAS

One delegate explained why:
"The liaison committee cannot be dissolved as it represents an organizational form of union representativity for drivers and has the aim of supporting the self-defence and the claims of the category and, beyond this, of proposing the refoundation of the characteristics of democracy in the union movement." (Fabio Protano, delegate from Rome)

Both Gallori's statement and that of Protano, however, agree on one major point. They do not see themselves to be against or in competition with the unions (unlike those who founded AMIEF), but to be the real "democratic" spirit of trade unionism, of a permanent type of organization for their category. This position of militant, ultra-democratic unionism is of course wide-spread in single category unions: one need only think of the mineworkers or train drivers in Britain. It cannot be put down simply to the political background and ideology of the leaders. In a later section on the strikes at Rome airport we will see exactly the same attitude expressed by those who had never even left the union and claimed that they were the "real union", not the bureaucrats etc..

A second criticism of the draft agreement came from the guards' COBAS. Why, they asked, should the drivers try to reach agreement on their own, leaving them in the lurch as regards their own demands.

The immediate result of the breakdown of talks with the unions was the accusation by Gallori that the unions wanted to increase work loads, but at the same time the planned strike was called off. This angered the delegates from the South who had already seen their support slip away to the AMIEF and feared loss of credibility. Gallori explained the reason for the decision: "The COBAS need to be reorganized and to find a way to collect more faithfully the requests coming from the rank and file. We shall therefore go in for grass roots consultation, including a referendum on today's concluding text."

Thus another "pause for reflection".

The unions could now reenter the fray with their own strike calls and AMIEF could triumphantly proclaim that "The COBAS are finished now. The only way to resolve the problem is to struggle with a single union for drivers." But they too stated "to strike now would be to go off the tracks" as the virulence of the political dispute in the category made action impossible.

A new COBAS meeting was held on March 13th. In order to head off the threat of dissolution, a new strike was called for the first fortnight of April. In the meanwhile, the union led strike attracted 80% support, although the COBAS asserted that trains had been cancelled by management even though crews were available, simply to give greater credibility to the unions.

After another truce for Easter (March 29th. - April 8th.) another COBAS meeting was called. Here the abstention in the union referendum was now considered as a mistake. More importantly the organizational question came to the fore and an "organizational conference" was called to see if a new structure was required.
"With the strike of April 14th., we shall open the second phase of the drivers' movement after 8 national strikes costing the railways about £400m. The category's demands have become political and we must rethink the forms of organization we have selected."
In plain words: the COBAS now saw itself as an organization with a political character leading the drivers' struggle.

Again the unions were the first to call a strike, on April 12th., but only in the Trieste region. 75% of drivers struck and the COBAS response was now conciliatory: "We don't want to set one group of workers against another", i.e. they did not fail to support the strike.

Two days later, the COBAS strike, supported by AMIEF "for our own reasons", won massive support. Only 700 of 5,300 trains ran, including those guaranteed by the COBAS on international routes and for pilgrims or those provided by the army. 85% of drivers struck. Gallori exclaimed that "we are stronger than ever". In fact in his strongholds such as Genova or Pistoia only 2-4% turned up for work.

There then followed the usual period of inactivity, filled with union called strikes and an entirely separate strike of "immigrant" railway workers (i.e. of workers from the South transfered to the North, but demanding to be retransfered to the South), until the next meeting on May 7th.. On May 24th. another series of strikes was proclaimed following a new pattern. An hour's strike at the beginning of each shift then a 48 hour strike between the 2nd. and 4th. of June, then another two day strike in July. Yet again at this meeting the question of becoming a trade union emerged. The resolution, as ever, was vague:
"The COBAS should remain a stable, organizative, open force, as ever."
which would satisfy nobody in the long term.
The stage was now set for the traditional offer. Gallori:
"We will call off the strikes if all sides to the dispute are called to negotiations ... it would be enough to call us for discussions."

But they were not, so the strike went ahead with the usual c80% support.

Equally traditionally the management made reference to strongarm methods it could use, locking out non-strikers, court orders to get drivers back to work (which of course are mutually contradictory, unless the management wanted to order strikers back to work to then lock them out), but no

use was made of them. Then, as ever, the unions appeared on the scene offering to try to introduce the COBAS to a meeting with the Minister of Transport, though not with the railways management, which in fact finally took place. The rest of the COBAS timetable of strikes was called off (for the 15th June, date of the meeting with the Minister, June 21st. and July 23rd.).

The FISAFS union tried to profit from this lack of activity by calling its own strikes, but without any success. The strike of June 2-4th. thus became the last strike before the summer recess.

After the expiry of the "quiet summer" agreement signed on August 5, the unions called a 24 hour strike over September 25-26 against the cuts proposed for the railways. The management obliged by closing down the entire rail system, even cancelling trains that were timetabled to depart before the start of the strike. The reason was to head off the COBAS who rather late in the day had called on "the whole category to show their distrust of the union leadership". This rigged strike, however, encountered a major snag. A train running late was halted 79 km. before its destination late on a Sunday night. The passengers insisted on being taken home (as guaranteed by the self-regulation agreement) and began to smash up the station. The Caribinieri in full riot gear were rushed to the scene and eventually the train was made to leave. Apparently the management had simply closed down the line to reinforce the strike, without bothering to see if trains were running, and the train had to travel at a snail's pace because all the level crossing gates were up. The unions were highly embarrassed, as was the management, but, as we shall see later in the case of the Turin transport system, their little trick was not uncovered(1).

Railway statistics for the four main EEC countries (1986-87)

	Italy		U.K.		France	W. Ger
Length (km.)	16,185		16,729		36,678	27,709
Freight carried (m tonne-km)	16,654		17,190		50,828	57,941
Freight wagons	105,000		48,400			
Passenger km (bn)	39		30.8			
Passenger coaches	14,000		15,336			
Locomotives	6,450		7,032			
Staff: (1980 It. 1976 U.K.)	214,445	(237,000)	160,400	(222,300)		
Drivers (Guards)	28,811	(21,094)	19,900	(10,500)		
Signalmen / Crossing keepers	11,000		6,500			
Accounts:						
Receipts as % of costs	17		75			
Staff costs % of total	70		59			
Driver Productivity (Italy = 100)	100		182		186	230

(Sources: Dept. Transport Statistics 1976-86, EUROSTAT: Basic Statistics of the Community, 25th ed. 1988, L'Espresso and La Repubblica (various dates)

(1) The subsequent enquiry showed that while the railwaymen on the train had no attention of joining the strike while two regional managers simply shut down the railways without consulting anyone (one was even absent from work).

The drivers' COBAS had scheduled a 48 hour strike for October 2-3, but delayed this until October 15 in an attempt to obtain union contacts. But in the meanwhile the unions had signed the agreement with management and were now talking about "consumer protection", even to the extent of abandoning strike action (Aiazzi of the UIL).

The strike, therefore, was to be aimed at enforcing the application of the agreement, "to defend our dignity, we have to strike yet again causing problems to passengers and millions of pounds of damage to the railways because no one wants to keep an agreement which is really only a marginal cost" (Gallori). He also wrote to his union (CGIL) "It is a sad matter that we can see that your role is no longer that of seeking a relation with the workers in this important sector, This is the end of a democratic union and the beginning of an authoritarian, bureaucratic one trailing after the management." Thus so near and yet so far from reaching the goal.

To avoid conflict with passengers, the COBAS agreed to meet a consumers' association to make up a list of essential trains they would man during the strike. They maintained two demands:
- the promotion of ⅓ of drivers to level 7 by May 1989
- the gradual introduction of 48 hour rest periods.
The latter had already been agreed, but had been shunted onto the regional rail boards and forgotten.

It thus seemed there was little left to talk over. But the reaction of the state was out of all proportion, unless this reaction was designed to win support for the Socialist Party, by now the 'hard man' of the government where strikes were concerned. The Socialist Minister called the provincial prefects to send the Caribinieri house by house to all drivers to order them back to work, This move obviously broke the strike (the sentence for disobeying such an order is very heavy)(1), the drivers went to work wearing a black armband.

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(1) Here we should add a little polemical note. The law on orders to return to work dates from the 1930s, with the Fascist government, which current folklore informs us knew how to run a railway (in fact late trains were simply removed from the timetable and 'substituted' by "specials", i.e. the same trains running late). This law, which had no immediate application, was revised in 1969 to reduce the rather fearsome sentences envisaged. It was used several times in the transport sector, lastly against the Turin bus drivers.
One could wheel out the left communist text-book to show how democracy calls on fascism to help it (just as fascism called on democracy to help it in Italy in 1943). Taking an example, the lead article by Enzo Forcella in La Repubblica (18.10.88.), later confirmed by the newspapers editor, Scalfari (Venerdi della Repubblica 21.10.88.), welcoming the court orders because they would make the question of the operation of the railways a central question that could no longer be ignored. But this article also tells us that of the 27,000 drivers, only 17-18,000 actually work, the other ⅓ "have other positions and functions in the 'official' unions which are protected tooth and nail". So Ligato, the boss of the railways, is formally correct when he states that the drivers have nothing to moan about as, on average, they work only 2 hours per day. "But this calculation is based on the total work force, and not in fact on those who drive the trains who work to cover for all the rest. This is why the COBAS were born with their more or less wildcat strikes". (cont.)

The COBAS could then make two proposals, either to work to rule (shunting trains at the maximum 4 m.p.h., testing brakes before each departure, slowing down at signals), proposed for November, or to organize a 3 day strike, later put off to be decided at a national meeting in Rome on November 5. A side effect of the back to work order was the consolidation of the category, perhaps now even 90% supporting the COBAS, and the establishment of relations with other COBAS groups and even shop stewards' committees. But a militant line in the COBAS did not have enough support because "there is the general impression that in the end good sense will prevail and the strike will be called off".

In fact the strike was called off by the drivers well beforehand because the agreement was considered to be "a step forward, although not satisfying the demands of the category". In the meanwhile mass meetings were to be held on the agreement and a national meeting would consider the result at the beginning of December.

The demonstration in Rome on November 5 drew support for a call to modify anti-strike legislation before parliament from other COBAS (above all the schools), but now also from bodies which were parts of the official unions (the liaison committee at Rome airport, various factory committees) even if in name only. This movement was beginning then to lose its original characteristics and to attempt to form a new unity among a much wider range of workers on a different basis. The sectional and economic aims had been replaced by general and political ones. Effectively the movement entered a new phase, but maintaining all the contradictions of the previous one. The organizational question was, however, resolved. The drivers' COBAS was now an official body with a constitution. The unofficial stage of the movement was over (except for the schools' COBAS), a phase that by no means could be called spontaneous but was the result of long and bitter experience and struggles. Who knows what the future may hold?

The conclusion, which is not drawn, is this: a modern capitalist organization does not require wastrel trade union bureaucrats who in fact represent only themselves and, here, perhaps 10-20% of the drivers. It does require a modern representative body, but then the railways are not FIAT (see my article in Echanges no. 49-50). Industrial relations thus follow the same backward and confused course as the railways themselves. In short, a business type agreement (something suggested also by the statistical institute CENSIS for teachers, see p.26) cannot be made as this would delegitimize not only the unions, replacing them with COBAS, but also the management and its political patrons. Thus while the economic part of the contract could be accepted, even if with great difficulty (the railways are bankrupt and to pay overtime the courts have ordered the police to sequester booking office tills (Domodossola) or even to put old locomotives up for auction (Catania)), the idea of accepting an alternative organization of the railways (or of any other state service) remains pure heresy.

Turin: COBAS vs. BUS CO.

The strikes on the Turin public transport system in 1987-88 are an example of the development of an autonomous movement at a local level and, although within the transport sector, not strictly part of the state (the buses are run by the local council and the region) so the 'privileges' of unsackability, early retirement etc. do not apply here. This sector is traditionally one with high unionmembership and fairly militant with the usual three of four union run strikes per year over contracts. Why did this autonomous movement develop in Turin and not in other large cities or even throughout Italy? To attempt to explain this we should examine the transport system itself, which in a way represents the problems of the national transport system.

Almost alone of large cities in Europe, Turin, with 1 million inhabitants, has failed to provide itself with a metropolitan railway system. Transport is therefore made by buses, trams, 2 local suburban railways (plus the few lines operated by the state railways). The system attracts few passengers and the railway section transports only 50,000 commuters daily, all from outside the city. The traditional reason given is that FIAT has its base in Turin and wants to sell as many cars as possible, so the council complies by not modernizing the transport system, apart from occasional new road developments. This argument is easily faulted by the fact that FIAT also builds buses and trams and is a major civil engineering contractor that is building part of the Milan underground. The real reason lies in the permanent squabbles in local government over plans because the development of the public transport system would mean jobs for the boys and payola for the politicians (there are already several cases of corruption and graft connected with the tram system renewal at various stages of investigation).

In the 1970s the communist led council decided to build a series of 5 light metropolitan railway lines (i.e. on the surface in the outskirts, but running through tunnels in the centre). Work has only been carried out on one line (route 3) and then only partially according to plan, while the other lines have been dropped in favour of another scheme (which in turn will probably be dropped again). Route 3 was a disaster. The vehicles were ordered before the plan was decided and were found to unfit and had to be modified. The first surface section was built and then closed while the wrangling over the rest went on. Finally the central tunnel section was dropped and the whole line turned out to be nothing other than a glorified tram line, replacing an already existing one, costing £50m. (This is even recognized officially, the line is now called "a protected tram line").

The opening of the line, coupled with the celebration of 80 years of the bus co., was the occasion for the first strike of the COBAS which virtually halted the city. But this movement had much earlier origins.

The result of the lack of adequate public transport, coupled with phenomena widespread throughout Europe: suburbanization of the population leading to commuting to work, increase in car ownership, development of new roads, meant that the city became increasingly congested, bus speeds consequently fell, the market areas for public transport (particularly school students) began to contract; in a word, the productivity of the system tended to fall and the only way to counteract this, seeing that efficiency was not being raised by investment projects, was to increase the real output of the workforce, the drivers in particular. Conductors were removed and ticket sales

delegated to newsagents and tobacconists. Then the company cut back on overtime which was a way of earning what by local standards would be considered quite a good wage, about twice that of a FIAT worker. A driver (1) "When I started in 1981, I earned 900,000 lire a month, but already then some got 1,600,000 to 1,700,000. There were those who had built up over 10-15 years a wage based on overtime and there was a strong relationship between a person with a large take home pay, a union which somehow accepted and governed this mechanism and a company that forced us to act in this way." The result was stress and accidents and, finally, the intervention of the regional accountants who forebade further use of overtime on such a scale. Real wages fell from 1,700,000 to 2,200,000 in 1983 to the present 1,300,000 or at most 1,500,000 lire a month. The pact between management and unions broke down. The unions could not even obtain pay rises (one contract in the 80s saw an increase of 9,000 lire over three years, about £1.50 a year) and had to agree to productivity deals (1984) when the entire route map of the city was changed by the communist local government. Route lengths were cut to avoid delays building up (delays were taken out of the break between journeys), a remote control system (SIS) was installed in each cab which informed the driver if he or she was early or, more frequently, late and instructed drivers when to depart. Headstops were segregated; even at the main station where several routes terminate, the head stops are too far apart to permit contact during journey breaks. Thus contact was strengthened vertically with the SIS directors and travelling inspectors, and weakened with other drivers (conductors having already been removed). Thus drivers were exposed to greater stress. They had to answer passengers questions, although this is formally forbidden, not least because bus routes are changed very frequently. As buses at headstops operate on a shuttle system (i.e. when the bus behind arrives, the one in front departs) at night drivers became targets for thieves and thugs. Since the law requires drivers to carry their licences when driving, the theft of a wallet means that drivers not only lost their money, but also their job until a new licence was provided (in Italy, the loss of a driving licence is the worst thing that can happen to anyone short of being arrested - they take months to replace, unless you know 'somebody').

Another feature of the reduction in overtime was the recruitment of a fresh groups of drivers with a different background. They were younger, often had attended school to a much later age, and most especially had backgrounds in factory work and thus in the struggles of the 1970s. They were therefore less prey to trade union corruption than their predecessors who were most frequently ex-peasants from Piedmont who were often unable to read or write and thus turned to the union for help in completing tax returns, obtaining documents, paying bills etc.

"The struggle committee (Comitato di Lotta) was set up in 1981 at the Venaria garage where there was a rather less clientalist atmosphere than elsewhere. Some came from factories like FIAT which had chucked them out. They were friends from the production line, and so ideas of solidarity remained ... It was a movement (...) which was, however, able to form links with other garages and to begin struggles" (a driver). In those years the committee made political interventions on overtime, health problems, work stress and laid the foundations for the next development.

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(1) This article is based mainly on 'ATM: le 5 giornate di Torino' by R. Strumia in Collegamenti no. 21. It has been updated to the moment of the demise of the COBAS that occurred a few months later.

"It was another movement at the Nizza garage headed by an ex-CGIL shop steward, Martella, who had clashed head on with his union, which perhaps gave us another way to act in a rather more practical and lively manner, like openly accusing union figures by name" (a driver).

The paper produced by this group, called BELTRAM, which first appeared in 1987, also tried to attract support from the users who could see the declining standards of service affected them too. Cases of theft by the lorry load, thus inevitably implying union-management connivance were also reported.

More especially 1987 was the year in which the contract would have to be renewed after a considerable delay. BELTRAM proposed a flat rate increase of 200,000 lire and, in return, offered to increase productivity ... by making the union delegates forego time off work.

The full platform was:
- a flat rate monthly increase of 200,000 lire
- 80% of the workers to be on single, not split shifts
- transfer to other garages to be considered as part of the working day
- new rest rosters
- Sunday and holiday work to be paid as overtime
- company intervention on road transit conditions and health problems
- uniforms, if required, to be provided by the company free of charge
- toilets at head stops, to reduce health problems
- heating and reduction of noise levels in cabins
- recognition of professional illnesses
- reorganization of work and conditions in garages
- a"dirty jobs" bonus
- increase of additional bonus payments

On October 9 the COBAS elected a directive body to press this platform of demands which had attracted the support of 1,300 out of the 3,000 drivers and 700 workers in the company (there are another 2,300 employees). At the inauguration of the new line 3 on October 26, 85% of drivers struck and the city was reduced to a traffic jam for hours. At the same time all the bus stops in the city were plastered with posters showing 8 drivers pissing round the back of their buses because toilets were not available.

The management was in no way prepared to accept this platform, nor even the much more moderate one of the unions. The COBAS prepared for another strike. Two days before this, however, on November 18, tram drivers and bus drivers went to work only to find the garages blocked by buses put across the gates by union delegates and supporters, without any intervention by the management or the police. This "strike" paralysed the city, while the fact that it was unannounced and only two days before the COBAS called strike, made it easy to form a public opinion that it was a wildcat strike by the COBAS.

The COBAS replied by cancelling their strike in garages, but confirming that among drivers on the 20th. The prefect immediately issued 908 orders back to work and the strike was put off until the following Monday, the 23rd. The threat of the police, twice in two days, had its effect. Only 30% of drivers struck (which in any case was more than the 7 (seven) who followed the unions' strike 2 days later).

The field was now free for the unions and management to come quickly to an agreement, even if its implementation would cause some friction between the

two parties. The offer was a lump sum of 700,000 lire for the months already passed without the contract renewal (16 months, thus 44,000 lire per month, now eroded by inflation), then 75,000 lire for the rest of the contract. In virtually all the other areas, conditions for drivers were worsened.

The COBAS could react in two ways. It tried to obtain support from other COBAS in the city, but in Turin these formations were generally weaker than in the rest of Italy both numerically (teachers) and in terms of militancy (railway drivers). It also appealed to public opinion, particularly over the use of court orders and the current debate on a new anti-strike law:

"I read in La Repubblica on November 28th. an article on Labour Minister Formica's (a socialist - trans.) proposal on the regulation of the right to strike. There is a section that made me sit up and I quote it fully here: political authority should invite the workers' representatives to agree on "that section of social services that must be guaranteed". If this is violated, Formica explained, compulsory return to work notices will be served, but with this innovation: the "employer will offer payment according to the unusual service provided". This bonus will not be paid to the worker, but to the trade union representatives "who can do as they like with it".
"That such a proposal could cause outrage to a leader of the Turin Transport COBAS, recently humiliatingly forced back to work, will shock nobody. That it comes from the brain of the Labour Minister is, however, rather allarming." (Enzo Castelletto La Repubblica 13-14.12.87.)

Six months later the COBAS returned to the attack. In May 1988 a series of 3 hour strikes per shift was called over the contract. On the first day, only 8% struck. The COBAS leader, Martella, stated bluntly "We have been totally defeated, but not by the management and the unions, but by the drivers themselves ... The COBAS have lost the battle and are to be dissolved so that they don't fall into the hands of political refugees." (Stampa Sera 4.5.88.)

So it was. The following month the strike called in public transport by the trade unions nationally gained more support among drivers in Turin (81%) than in any other city. The unions had regained their position as representatives, but for how long?

The unions could return to their old wheeler-dealing methods which of course suited the city council. At least for now perhaps some cases of corruption could be swept under the carpet as Beltram no longer appeared. It was, in fact, doubtful if the political status quo could survive yet another scandal after that of transport contracts, the hospital boards etc. The COBAS had learnt to their cost the dangers of "politics".

A short movement in the legal administration (1)

Some figures on page 23 show that despite having a very large number of lawyers, the legal system functions very slowly. The reason is the chronic understaffing of the courts at all levels - about 20% below establishment, which itself would be inadequate. This has had a series of effects - strikes by defence lawyers, squabbles among magistrates leading to disciplinary hearings. A recent referendum made magistrates legally responsible for their decisions, further slowing down the system. The effects have also been felt among the lower levels of the offices: typists, clerks and officials, and it is here that a rank and file movement developed:

The February strikes in Milan for a pay increase and (a now familiar demand) re-transfer to the south of Italy on request after 3 years and not 5 years as it was. The second wave however was in the south, beginning in Palermo in May 2-5, spreading then to the rest of Sicily, but also to Turin and back to Milan (a four day strike), Catanzaro and Bologna (25% out on strike), all organized by rank and file bodies. The centre was Naples and it was there that a national meeting was held on May 14 by the COBAS and the autonomous unions which attracted 500. Both the COBAS leader, Giulio Sabatano, and the autonomous union leader, Nicola Zaccaniello, were whistled down when they called for moderation and a 'pause for reflection'. After this meeting the strike spread throughout the sector (25,000 employees) and was now tail ended by the CGIL at the national demonstration on May 18.

Sabotano used this movement to make the claims which are now familiar:
- "let's see who really represents the workers"
- "we don't want to change the government's line, we only want to know why the bonus promised 6 months ago has not been paid"
- "we have atypical jobs and it is only fair that the improved conditions for magistrates should be offered to us too"

The concrete case of the bonus refered to the £150 to 300 a month paid as "danger money" to judges, while their chauffers, who were equally likely to be shot at or blown up, received a paltry 35 pence a day.

By now the movement included all the unions too. A new mass meeting was held at Naples involving 1,000 (i.e. 4% of the entire category).

The state began to be worried, the demands were largely met and the movement fizzled out. A strike in a traditionally 'conservative' sector obviously could be considered as more of a threat than in a traditionally militant one (the railways) and the state saw that it was best to head off the movement before it involved other areas of the administration.

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(1) For reasons of space only those movements that initiated strike or other activity are dealt with in this pamphlet. There have, however, been rank and file bodies set up in the ENEL (state electricity company) among electricians, in the state archive and library service, in the post office (see the letter elsewhere in this pamphlet and an interview in Collegamenti no. 20, also their review Coordinamento, Piazza Mazzini, 26, 35100 Padova), state administration and the banks (see their magazine Bancarotta published by the Coordinamento Organismi di Base del Settore Bancario - c/o Comitato Cabral, Via Massena, 31, Torino).

The Rank and File Organization of Ground staff at Rome (Fiumicino) Airport

The beginning of the movement among ground staff at Rome Fiumicino was the result of the break down of union-management talks over renewing a contract that had ended nearly a year previously. Here the unions had to deal with the airport owners, Alitalia - the national airline, and another public body, Intersind. In other airports, the management is usually a company owned by the local city, province or region. This was the main difference that lay behind the creation of a very militant body at Rome airport only, whereas in other airports the management offers a monopoly service and can thus simply raise landing and take-off fees to cover wage increases (within certain limits of course), at Rome the Alitalia airline, which is facing stiff competition from other airlines, cannot simply pass the bill on to other users because it is itself the main user of the airport and as its chief base, the main area where innovation and productivity improvements can increase its rather poor competitivity. Thus within the dispute over a national contract there was a purely local problem. There could, therefore, be no question of setting up a national liaison organization, as on the railways, simply because the main demand at Rome was to be in line with what other airports had already conceded.

On October 25 1987, the ground staff struck on a semi-official basis: only one Alitalia flight could depart, although other airlines did better. The unions, who had not officially santioned the strike, tried hard to avoid trouble with their rank and file. The CGIL union stated that the strike was "not the work of COBAS or spontaneous groups", while the UIL stated that "wildcat forms of struggle" could not be justified, even if the management was acting arrogantly.

The rank and file too rejected any idea that they were COBAS: "There are no COBAS here, we're all union members". Thus right from the start the limits had been imposed: there would be no national organization to bypass the unions, but on a local level, while maintaining union membership, the union would not necessarily be respected. In fact those who were more ideologically prepared stated that their movement was a rejection of the 10 years of union imposed "sacrifices" following the famous speech made by Lama (then CGIL leader) at Rome EUR in 1978. Here then there was also a commitment to having a real union operating in the workers' interest, which then coincided with and reinforced the decision based on the isolation of Rome airport workers nationally in terms of the struggle they were engaged in, but could, on the contrary gain ideological support from other areas.

The aggravation of the struggle led just before Christmas to a deepening of the split within the union. La Repubblica entitled the strike now as a "rebellion against the unions" (15.12.87.) when the delegates committee of Alitalia airport workers bluntly rejected the deal their leaders had worked out, proclaimed a 24 hour wildcat strike for all 930 workers, but did not obtain support from the other part of the airport, so most international flights could depart. The unions were similarly blunt: "The wage negotiations have been completed... the strikers must accept self-regulation".

However, the strikers issued their platform and called on the union leaders to come and hear their point of view:

"The mass meeting unanimously decides that the proposed agreement is insufficient and condemns the company's arrogance in refusing to deal seriously with the content of the union platform as approved by a referendum:

- a 37½ hour week
- a three year contract
- the company to deal with the rank and file on work problems".

The airport management was stunned. The local boss stated: "It's incredible no one could have imagined it, they (i.e. the workers) simply didn't turn up for work, spontaneously, without even consulting their trade union representatives". Higher up, the personnel manager, Ferrero, was less worried: "Alitalia will not discuss the agreement reached with the unions... (the strike) is a problem for the unions to sort out with their own rank and file... (its effects) are mainly in a loss of image."

The question was thus left unanswered and the Christmas truce in transport strikes began. The next strikes were scheduled for January (1988) 11 and 18 for one shift each. The union could use this period to try to win back its rank and file. To do this they announced a national union led strike to replace the rank and file one but gained very little support as only 25% of flights were cancelled.

This post-Christmas period also saw the beginning of a series of other, unrelated strikes among pilots, radar controllers and the creation of a new Liaison Committee of Flight Assistants which managed to collect a list of 1,500 signatures to its petition, out of a total of 3,000 employees, calling for a mass meeting.

The next explosion was the following week when another unofficial strike paralysed Fiumicino. 95% of the workers in the hangars struck, but even 60% of the office workers too. Then a new lull until the national strike a few days later, on January 29, followed by another unofficial strike which closed down the DC9 and 3 other hangers (97% on strike) and the announcement now of a strike timetable:

10 hours on February 21
3 hours per day on February 22-25
8 hours on Feb. 26
24 hours on Feb. 28
3 hours on Feb 29.
Extra strikes of operative staff on Feb 12 and 14.

It was at this point that a split began to emerge among the various management bodies. Most airports would now accept a 37½ hour week, even if some adjustment would have to be made to other parts of the deal, while at Fiumicino, Alitalia still insited on 42 hours, despite the fact that in a year passnger traffic had risen 14%, goods traffic by 5%, while the workforce had been cut by 10%. The government instructed Alitalia to continue negotiations, there were more national strikes and negotiations, until March 4 when talks were again broken off. The recently formed Liaison Committee of Flight Assistants now moved to attack the unions. The referendum for their category had been supported by only 33%: 25% against, 40% no-votes and 35% in favour of the union agreement, i.e. only about 10% of the category. The strike led to the cancellation of over 50% of Alitalia flights on March 5.

A fresh break down of negotiations two days later led the Liaison Committee of Alitalia and Rome Airport Workers to call a strike. As before, the 7 a.m. shift simply did not come to work on March 8, and 80% of Alitalia flights were cancelled. The unions were now worried: "It is premature to speak of COBAS at Fiumicino, but we are very close". The regional union negotiators were sacked and replaced by national ones.

A reporter who attended the liaison committee meeting on March 9 made this description: most were CGIL members, some near to Democrazia Proletaria, mostly near the Communist Party, but all non-members, a lot of catholics from the UIL. The committee was really set up two years before as "We are the critical consciousness of the unions" (La Repubblica 10.3.88.).

Yet another Fiumicino strike obliged the Minister to intervene and call both the strikers and management erga omnes (i.e. by edict) to accept a 37½ hour working week. He obviously did not urge management enough: the agreement was a bluff. The three annual pay increases had been stretched to 5 to delay payment, the reduction of the working week to 37½ hours was merely for "sometime during the contract" for some even Dec. 1 1993. The contract was then not for 3 years but for 3 years 10 months, although it was a year late.

The response was another strike that paralysed the airport on the 14th. The Liaison Committee spokesman, Frati stated "the workers have already rejected two points of the agreement, while other features are not positive".

The unions chose this opportunity to duck out. A referendum was called for before Easter, while trade union delegates approved the agreement by 200 to 4 votes. Frati simply stated that "we want to see what the mass meetings will say". He knew all too well; the Information Meeting held by the union saw the union representatives whistled down and the encounter closed. The unions replied by trying to outflank the rank and file at Rome airport by making the refererendum national, including airports where the main demand, a 37½ hour week, had already been met. But this provocation did not have any immediate consequences. The unions cancelled other Information Meetings and the rank and file respected a truce until the referendum (set for March 28).

The vote saw a massive victory for the opposition. Those in Alitalia-Ati voted no to it by 2 to 1, while in other airports 78.5% rejected it among the ground staff. Given the importance of other staff, rejection of the agreement attracted 53.1% of the 81% who voted. The unions had miscalculated in thinking that those who had already gained concessions would support them. In fact only at Milan Linate did they have a majority.

The Liaison Committee could now do almost what it wanted. The unions, for the first time on record, had lost a referendum, even though they had gerrymandered it to gain a majority. Frati commented; "The defeat of the confederal unions and their line has been a great victory not only for air transport workers, but for all Italian workers. For the first time the union of the bureaucrats, the line of imposing a consensus on the workers from above, has been beaten, and let us not forget that a management, even if it is "public", is a most backward one, has too." But there was no immediate action. A truce was called for a week to allow for elections to the committee. Frati continued: "Now the negotiations must be reopened. The unions should inform us what they intend to do. If they do not do what the workers want, the mass meetings will decide how to carry on the negotiations with the management. It is quite clear that the Liaison Committee is the most creditworthy spokesman for the workers now."

The following day, the Committee proclaimed that "If the unions won't lead the struggles, we shall do so autonomously, but this time only the operational services will be hit and we shall establish . a system of political and economic solidarity around them so that the workers will suffer little, but the company will be greatly damaged."

The CGIL leader could do no better than to use an extremely unfortunate

metaphor: at Alitalia "We have to get our feet back on the ground" (Fausto Bertinotti). Other leaders were cautious: Domenico Sesta (CGIL) "The contract should not have been signed", the CGIL Milan representative, Franco Brioschi "There is no way we are going to strike again". But the union had to be "refounded" as the reason for the development of COBAS "was the lack of relations between workers and the unions". He, of course, had few problems. His area, Milan, voted by 83% to 17% for the agreement, compared with 77% to 23% against in Rome. We can, however, note an ideological concession on the role of the unions, on their "refounding". It was not the lack of union democracy that had led to the strikes (there had been 2 referenda, consultations and the ill-omened Information Meetings), but real conditions that had rendered the unions powerless.

The ideological position of the Liaison Committee also made its full appearance. It was the real union, as opposed to that of the bureaucrats, but all the same it would follow the unions as long as they did what they were told. If not, they would negotiate directly, but given the nature of their organization, only on a local basis. There was a concrete fear to go too far - after all, there are other means of transport and Rome has a second airport, with its very own union, thus without any real contact with Fiumicino.

This left the middle level union leaders. They could now say that their removal from the negotiations had alienated the members and had worsened the situation. For this they won support from an ex-boss of the CISL union, Carniti, who wanted to see both union and management negotiating teams changed.

At last the unions reopened the negotiations, but only on the hours question at Fiumicino. The Fiumicino Liaison Committee began the election of delegates and proposed the tactic of "chains of solidarity" aimed at "blocking the entire airport to guarantee lengthy resistance without a great loss in pay", but with no strikes for the time being, nor even the request to reopen the negotiations on other points. Mancini (Liaison Committee) "We don't want to rediscuss everything (in the contract). I hope they (the management) don't force us to take autonomous initiatives. We are awaiting the mass meetings on April 27 very calmly. We don't want to exasperate the situation. But the referendum voted down the contract and it cannot now be introduced. The negotiations therefore have to be reopened." So no strikes until April 27, later extended to May 10.

This compromising attitude allowed the CGIL union leader Sesta to propose "the problem now is to bring out the unitary interests of the rank and file to form the lever which the unions will use".

Meanwhile the other strikes in the sector continued, involving mainly pilots. A spokesman for the Ministry of Transport informed parliament that in the six months October 1987-March 1988 there had been a total of 500 strikes.

On April 22 the 3,000 ground staff that serve foreign airlines voted to accept the agreement by which they would work a 37½ hour week from the beginning of 1989 (we should recall that this was to be conceded to Alitalia-Ati staff much later). The Liaison Committee had to renew "the state of agitation" and to repropose the two remaining points of its platform: "If by April 29, the union federations have still not taken a decision (on renegotiating the contract), we shall hold a mass meeting to see what to do to obtain:

- a 37½ hour working week, on a weekly, monthly and annual basis
- a 3 year contract and no delay to the implementation of other contract clauses."

To this end the Liaison Committee sought to be present at the negotiations to prevent any further double-dealing. Their delegates were to be elected at the April 29 meeting. Again the rank and file saw its role as that of picking up where the unions had left off. Mario Carrevali (Liaison Committee) "We don't want to set up parallel councils (i.e. wage negotiating councils) or to act behind the backs of the union reps. We don't want to set up a union, but to stay in one. But the three federations must respect the referendum result".

The union agreed to commence negotiations on May 5. The management played hard, but had its arm twisted by the state (we should remember that three or four of the government parties have major trade union sections and would not like to lose them to the COBAS). The Liaison Committe met to prepare a petition for a strike on May 13, signed by a 5,000 workers and supported by the small autonomous union of Rome's other airport, SANGA (literally: The Independent Union of the People of the Air!) upset because they had been left out of the union negotiating panel.

The strikes were suspended at the last minute when "positive" signs emerged. A strike "with self-regulation" was recalled for May 27. On May 30 the negotiators proposed a 37½ hour week for shift workers, 38½ for the rest. This again was rejected and a further strike called.

After some further discussions, agreement was reached, thus one of the most significant movements came to an end, at least in terms of activity, for the summer period.

Conclusion

The Rome demonstration marked the end of the first phase of the movemet. The various rank and file bodies that had been at the forefront of the struggles of the previous year or so were now outnumbered by those still in the unions, or an entire union itself (FISAFS), but even more importantly by factory delegates from the industrial areas of northern Italy. This new found unity was, however, based on a political premise: the modification of anti-strike legislation being prepared in parliament, and not on a movement of agitation or strikes,

Clearly then the new phase of struggles would have different aims compared with the previous one. The characteristics of the movement would also be different, it would no longer be one almost exclusively of public sector workers, particularly in transport.

Symptomatically this period also saw the explosion of the long-brewing crisis of the CGIL union. Among the reasons for this crisis, which dated back to the refusal of the union to fight against the governments law on reducing wage indexing, was the evaporation of its traditional base of support in fact, even if not in terms of membership. Added to this was the decline in the membership in factories due to the inability of the union to fight against the restructuring in the early 80s and to gain much of the fruit of this restructuring in the late 80s, most typically at FIAT.

For the time being then there remained two unanswered questions that any continuation of this movement (or an entirely new movement) would have to confront.

Firstly the question of anti strike legislation would have to be, more or less, the same as in other countries, such as Britain and France or even the USA. Such legislation has generally had an effect on unions in terms of civil responsability, although it can also be applied to small groups of workers. In Italy, the present law is a penal one, although there is no reason why a civil case could not be tacked onto a trial. The eternal squabbles between the government parties (5 in all), the disinterest of large sectors of the capitalist organization and the need to come to some agreement with the unions and the communist party all make any rapid development here very unlikely, even though it is quite urgent as the present social peace cannot last for ever in the factories.

The second question remains that proposed in the sections above: how will the economy get by when the full pressure of competition builds up towards 1992? After the rhetoric and enthusiasm (which went as far as calling Mrs. Thatcher an anti-European and the Italian state as a paladin of unity) the more careful observers are beginning to worry. Not only those directly involved, but also, for example, a leading economist, Prof. Graziani, who feels that until the public debt question is resolved, the state should call "not for accelerating, but for holding back the liberalization of capital movements" (Politica ed Economia 1988 no. 9 p. 10). The reason he gives in the journal (more or less of the communist party etc.) is that cutting back on public spending by such a large amount in such a short time would cause severe strain. One could add that this strain could easily transform itself into a major social conflict as the state would be obliged to increase the rate of exploitation in the sectors it controls. The feast of an estimated 78.4 to 82.4 bn. ECUs of new savings by 1992

(about £55 bn.) could be used to modernize services, but since the vast majority of the business is in sectors where the Italian economy is weak (banking, insurance, business services, telecommunications, road and air transport represent 75% of the new business; industrial production, where Italy has some major advantages, only about 12%), not much of the cake will be consumed in the country.

There is therefore an increasing appeal to opt out temporarily from the scheme and, after all, did not exactly the same happen at every stage of the unification of the EEC (see Podbielski Storia dell'economia italiana, Bari 1976, pp.221-3), with the Italian government having to ask to be treated as a special case? There are two problems with this approach. The healthy sectors of the economy would see themselves cut out of the international scene (the failure first to invest in the USA in the period of the weak dollar and, more recently, the failure of Italian expansion in other EEC states, such as the attempted take-overs of the SGB in Belgium and the MIDI in France is due not just to nationalist reactions by French bankers, as the financial press would like one to believe, but because the protectionist banking system means that contact and support abroad are limited and international financial operations crippled). Also it would not mean that the sectors needing assistance would get it. At present there is the enormous problem of a sector which other EEC countries had put 'right' by common agreement, while Italy did nothing: the steel industry. Apart from the huge loss it makes, it is demonstrative of the cack-handed way in which the Italian state makes a bad name for itself in Europe as an untrustworthy partner (the others are the massive fraud in the funds from the Common Agricultural Policy and the non application of EEC directives on food quality, environmental issues, pricing of foreign products etc).

The partners in Europe could not be indulgent in this case. The EEC is progressively falling behind its rivals (mainly the USA and the East Asian area) and needs to rationalize the entire economic structure, reducing the number of enterprises in every sector and increasing their size because at present out of the 50 largest firms in the world 33 are Japanese, 14 American and only three European (two of which are oil companies anyway).

Therefore the integration process will have to go ahead, perhaps with a short delay of 6 months envisaged in the Single European Act.. It would be surprising if the results of the slow modernization of the risk sectors described above do not reappear on a much larger scale.

Bibliography

Apart from the rank and file magazines mentioned in the text, other good sources of information can be found in the following reviews:
Collegamenti, Wobbly nos. 19, 20, 21 and 22 (Angelo Caruso, Via Felice Casati 26, 20124 Milano)
Rivista Anarchica 151 (Edizioni Antistato, Corso Palermo 46, 10152 Torino) (dossier Cobas)
Maelstrom November 1987 (Accademia dei Testardi C.P. 16, 55061 Carraia) (also the pamphlet Dizionarietto ... from the same address)
(These reviews also contain mentions of yet other reviews that could be consulted).

The chronicle of the various struggles has been prepared from the national press (principally La Repubblica) and television, with additional material from the reviews mentioned above.

The economic part of the pamphlet has been prepared from sources in The Economist, il Sole 24 ore and material produced by the EEC and published in European Economy. Some information comes from the Italian state statistical office (ISTAT) or the statistical and social survey CENSIS.

Notes

The Unions

The main union is the CGIL, a joint venture of the communist and socialist parties. This union is in deep trouble because of decline of traditional industries and membership, the conflict between the two leadership parties, and the emergence of rank and file movements among its members and former members: the 'autoconvocati' among the former i.e. those who organize meetings without authorization, and the COBAS among the latter.

The CISL union is largely catholic and linked with the Christian Democrat Party, which has effectively governed the country for 43 years. It is not surprisingly strong in the state service sector and administration where it often has the role of co-management in all but name. It also contains various politicized elements who do not feel at home in the CGIL.

The UIL union is the smallest. It is a mixture of social democrats etc. It has a reputation as a company union, which it denies, but then often reconfirms. Its smallness on the railways (at Turin its mass-meeting was held in a pizzeria, with the union paying for the pizza to the few who came by) allows it to play 'there's nothing to lose'.

There are also various autonomous unions: FISAFS on the railways, SNALS in the schools, where they play the game of running with the fox (supporting rank and file initiatives) and hunting with the hounds (joint negotiations with the CGIL-CISL-UIL), or even playing it alone.

The COBAS

This name has been applied universally to all the rank and file bodies wholly outside the unions, whether they call themselves Comitati di Base (CdB) or Rappresentanza di Base (RdB).

The term Liaison Committee has been used for Coordinamento (literally coordination) and mass meeting for assemblea.

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