

Case study summary sheet : FIAT Mirafiori

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FIAT being a leader in the world automotive industry as a general automotive manufacturer, has, like its competitors, been confronted with the question of strategic global alliances and consolidation of the sector. The merger agreement signed with GM in 2000 illustrates this development. At the same time, production methods have undergone major changes: automation, vertical disintegration and relocations, the increased technology of new models, accelerated series renewal... And this in a context of mature western markets and the emergence of new developing zones: South East Asia, Latin America, for example. FIAT experienced another significant development at the beginning of the 2000s: the withdrawal of the original family's shareholding from the operational management of the group.

Due to the economic and social importance of the automotive industry in Italy, the political stakes are inevitably high and the conflictive nature of labour relations is also very high in this industrial sector, since the 1970s. Labour relations at Fiat have for a long time been characterised by an absence of cooperation and a marginalisation of unions by management.

Fiat faced a major crisis at the beginning of the 2000s, characterised by a drop in sales and significantly deflated profits. Management factors are to blame, which explains the absence of strategy. This period is marked both by the first stages of the merger with GM and its subsequent quick demise.

Local authorities were alone in anticipating the future by carrying out territorial reviews. In such a context, the involvement of the local authorities in the reorganisation of metropolitan Turin (Mirafiori site) seems a coherent approach despite the manufacturer's constant disruptive "strategic" reversals. The local authorities wish to preserve, in a time of economic dynamism, the automotive know-how in facilitating the establishment of the sector's companies, but not necessarily linked to FIAT, on the land made available by the company's reorganisation. Land aid, promotion of training and support of innovation and R&D are provided by local government (Piedmont region, Turin province and Turin town). In fact, FIAT's establishment of an assembly line of a new model "Grande Punto" in 2006 is on the condition of this commitment from local authorities. A former attempt to set up a local development agency failed due to the manufacturer's reversals.

FIAT's workforce at the Mirafiori site was reduced from 27,000 to 15,000 between 2002 and 2005. The national public initiatives were put in place to support employment: "Mobilità lunga" mainly for "blue collar" workers and the CIG (Cassa Integrazione Guadagni) for "white collar" workers.