

A general lack of nerve

By Dominic Standish
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In this column on March 25, *Corriere della Sera* analyst Stefano Folli presented the showdown between the government and unions as two sides "more determined to win their own cause" than during the crisis in 1994.

Yet, the present dispute, culminating in the general strike tomorrow, is a spat between two sides that are unable to go for the jugular.

In the left-hand corner, we have the unions and their colleagues in the center-left political alliance. They have picked a fight primarily over Article 18 of the 1970 Labor Statute, which specifies that employers must reinstate contracted employees dismissed without "just cause" in companies with over 15 employees.

The leading union, CGIL, can organize huge demonstrations in Rome. But these have been unable to challenge the government, as Folli pointed out. While a demonstration is a good day out, the CGIL is hardly the combative force it once was. Most CGIL members are pensioners. The CISL and UIL, the other major unions, would have preferred to negotiate but reluctantly agreed to strike.

In the right-hand corner, there is a government that has wavered over reforming Article 18, and has constantly looked to negotiate a way out. Apparently, Article 18 represents the first tentative step in the restructuring of an expensive, inflexible labor market. But why didn't the government begin with more significant reforms?

In addition, why did the government award a 5.6 percent pay rise to 4 million public sector workers in January, above the annual inflation rate of 2.5 percent and the amount allowed by the 2002 budget?

Indeed, wages have been rising above inflation since this government took office last June. This has reversed lower pay trends for a three-year period under the previous center-left government.

The present government may appear strong with its large majority. But this reflects the weakness of the opposition and its poor results in the latest general

election, when it failed to present an alternative to Berlusconi's coalition on a range of issues.

The opposition parties are now so weak that they are seeking help from film directors and anti-globalization activists who want little to do with them.

It is useful to contrast the current dispute with the British confrontation in the 1970s and 1980s, initiated by the Labour Party and completed by the Conservative government. This culminated in a final defeat for workers' rights with the coal miners' strike in 1984-5, and now British unions represent little more than personnel departments, organizing insurance and addressing individual grievances.

Today's impasse in Italy is the result of the failure to resolve the disputes of the 1970s, when a weak elite opted for concessions such as the Labor Statute, including Article 18. The shell of a labor movement remains. Though it lacks the rank-and-file dynamism of the past, the leadership can still mobilize large numbers of people.

In January and February of this year, 3.7 million hours of paid work were boycotted due to protests, and the general strike this week will witness high participation rates.

But this pales into insignificance compared with the 300 million hours lost to industrial unrest in 1969, one-fourth of them in October of that month. This battle between the unions and the government became a real confrontation throughout the 1970s. At stake were issues like independent control of workplaces and the very legitimacy of the state.

The unions' defense of Article 18 seeks to maintain a divisive law that leaves most of the workforce with little protection. Article 18 does not currently cover two-thirds of employees. Even the late CGIL leader Luciano Lama called Article 18 "iniquitous."

Why don't the unions and the opposition confront the government over an issue that reduces divisions among workers instead of deepening them, such as the new immigration legislation?

This is introducing greater discrimination into the labor market by making it

harder for immigrants to get work permits, further dividing and weakening employees. A joint CGIL-CISL-UIL leaflet distributed for the general strike in the Veneto has 14 pro and against points on policy from education to health, but immigration is not mentioned.

The lack of nerve in the government means that a decent challenge has a good chance of success. Witness the recent demonstrations by residents and workers in Gela, Sicily, over the oil refinery where 3,000 were threatened with redundancy. The result was a government decree that saved the refinery in March. Similarly, wildcat strikes by 13,000 railway cleaning staff led to a reprieve in February.

With a government that is too weak to restructure the labor market and an opposition that is too paralyzed to challenge the government, we can expect this impasse to continue beyond the general strike.

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