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## Southern and Eastern Europe



## 8 Always on the verge of sinking

Labour and production in the Sestri Ponente shipyard,  
Genoa (Italy), 1950-2014

*Giulia Strippoli, Davide Tabor, and Luciano Villani<sup>1</sup>*

### Introduction: is the identity of Sestri Ponente at a crossroads?

In this chapter we examine the history of the Sestri Ponente shipyard in relation to three themes: employment and labour composition; production trends and changes in the organisation of work; and workplace struggles that took place during the Republican period to guarantee the role of the workers in the company, and to avoid the closure of a highly productive shipyard. The importance of the local context in which the shipyard stands seems to go beyond the issue of employment, embracing the physiognomy of a territory in its broadest sense, embedded in cultural and communal identity processes over a long period. This identity has flourished throughout the past two centuries and has been forged around the knowledge and special skills learned and passed down through generations by the Sestri Ponente shipyard workers. Although many of its constituent elements remained intact, Sestri Ponente eventually declined as a result of economic, production, and social changes.

### Sestri Ponente

Sestri Ponente is an industrial suburb of Genoa in north-west Italy and is situated on the Ligurian Sea to the west of the city.<sup>2</sup> It grew to become

<sup>1</sup> Giulia Strippoli wrote two sections of this chapter (on workers' identity and workers' struggles), Davide Tabor wrote two sections (on the quantitative profile and on health and safety), and Luciano Villani wrote two sections (on Sestri Ponente and on the business and technical profile), with the rest being a combined effort of the three authors.

<sup>2</sup> The Port of Genoa is an important outlet to the sea for northern Italy's most industrialised area. It covers a total surface area of about 7 mn m<sup>2</sup> and extends uninterrupted for 20 km along a coastal strip protected by breakwaters, starting from the Old Port basin, in the city's historic centre, to the far western end, in the area of Voltri. It has 47 km of maritime works, including 30 km of operative quays. The Sestri Ponente shipyard covers an area of approximately 248,000 m<sup>2</sup>, of which 81,000 m<sup>2</sup> are covered. It has three docks of 285 m, 255 m, and 250 m in length and three cranes including one with a capacity of 200 tons.

a working town in the early decades of the nineteenth century with a particular “vocation” of otherness, expressed in the form of a jealously guarded administrative autonomy, which was lost during the fascist period as it was subsumed into a wider urban area.<sup>3</sup> However, in the current economic climate, it seems that Sestri is unwilling to accept a future without maritime activities, despite the threat of a future without shipbuilding. During periods of difficulty of the yard, the company, employees, and trade unions have proudly proclaimed their long tradition of work, each according to its role in the history of Sestri Ponente’s “forge of ships”.<sup>4</sup> Founded by Ansaldo (an Italian engineering company est. 1853) in the latter years of the nineteenth century, Sestri Ponente was eventually taken over by the state conglomerate Finmeccanica in 1948, which then divested the shipyard to Italcantieri of Trieste in 1966. Italcantieri was established in 1959 as a state financial holding company for the Italian shipbuilding industry under the supervision of the Istituto per la Ricostruzione Industriale (Institute for Industrial Reconstruction, IRI),<sup>5</sup> and in 1984 became a state-owned operating company under Fincantieri, at which point it merged eight Italian shipyards controlled by it, including Sestri Ponente.<sup>6</sup>

## Workers’ identity

Hull-launching ceremonies, often witnessed by the entire community, projected an image of perfect co-operation between the company and workers. At this moment, the workers recognised the result of their labour and their special skills and creative abilities, according to a specific culture of the enterprise, the “*ansaldina*”, which created a strong relationship between the workers and Ansaldo. This culture stimulated a particular valorisation of the essential traits of the workers’ mental universe and skilled training, but remained sensitive

3 See Rugafiori, “Da città a quartiere operaio”.

4 The title of a 2012 book: Caterino, *Fucina di navi*.

5 IRI was an Italian public holding company established in 1933 by the fascist regime to rescue, restructure, and finance banks and private companies that had gone bankrupt during the Great Depression. After 1945, IRI played a pivotal role in the marked growth of the Italian economy of the 1950s and 1960s. It was dissolved in 2000.

6 The company, founded in 1959 as a finance company, the Cantieri Navali – Fincantieri Ltd Company, was transformed into an operating company in 1984, following the merger of eight companies controlled by it, in the field of shipbuilding, ship repair, and production of mechanical components and diesel engines. For Fincantieri, see Carminati, *Il settore delle costruzioni navali tra globalità e nazionalità*, 159–200, and Galisi, *Dai salvataggi alla competizione globale*.

to the sirens of the productivist ideology.<sup>7</sup> This specific culture also involved other aspects of the social and professional identity of workers and employees. Working at Ansaldo – which was strongly rooted territorially – meant gaining a position in Sestri society and guaranteed access to a range of benefits (from grants to welfare activities for employees' families organised by the company, from recreational clubs to internal solidarity funds) that helped to cement the bond with the company.<sup>8</sup> These features and the “*ansaldina*” culture would continue even when the shipyard was no longer part of Ansaldo.

“In Genoa”, as Duccio Bigazzi has written, “it was enough to say, ‘I work at Ansaldo’ to find all doors opened.”<sup>9</sup> This summarises a perception of common purpose that rested on internalising a certain corporate loyalty – constitutive of workers' pride – able to coexist with the spirit of the values of their social class. The transition to the public sector in 1966 triggered by Italcantieri's takeover led to the strengthening of the welfare mindset, which had important implications, due to the assurance of work and the redistribution of resources to the whole community, and contributing in other ways to mitigate the harshness of the capital-labour conflict. At some points, especially with the creation of Intersind (the trade union for workers at state holding enterprises) at the end of the 1950s, the trade unions and Ansaldo came together in applying for grants and contracts from government. And, in more recent times, when the unions disapproved of the decisions of public managers less willing to participate in dialogue, they invoked the better team spirit they had enjoyed with the previous managers.<sup>10</sup>

Between the reality of the yard and the rest of society of Sestri Ponente existed a natural exchange of interests. It was a relationship developed within traditional family and social structures, as the transmission of working knowledge occurred mainly through the generational inclusion or in specific group dynamics, and was then articulated in a more extended way.

7 Molinari, *Lettere al padrone*, 19, contains a description of typical characters of workers: “The Ansaldo worker [...] is politically antagonistic but he has an ideology that exalts the value of labour; he fights inside the factory but is respectful of order and discipline. He can also oppose and despise the ‘owner’ or those who represent the ‘owner’, but he is proud of his work and the place where he works.”

8 For the relationship between corporate culture and professional hierarchies at Ansaldo, see Gibelli, “Tecnici e operai”.

9 Bigazzi, “Culture ed etica del lavoro”, 198.

10 This is the case of the metalworkers' union FIOM, which, in criticising the decisions of Giuseppe Bono, Fincantieri's CEO since 2002, recalled the previous CEO Pierfrancesco Guarguaglini, who immediately after taking office declared: “the workers do not have to ask anything, the problem is ours”. See Coordinamenti nazionale FIOM-CGIL del gruppo Fincantieri, *Il caso Fincantieri*.

On this, the processes of mobility had an influence: besides the stable and mostly unionised workforce, some workers spent only a few weeks or months in the yard; others worked with assiduity at Sestri Ponente, even if they were employed by sub-contracting companies. There was also considerable mobility of workers, and an objective community of interest expressed in the good performance of shipbuilding orders, elements that explain the support provided by the citizenship to the mobilisations against the closure of the plant in recent times. For some people, support originated from a long-lasting professional relationship with the yard, but for others this relationship appeared mediated by different relationships with other companies and with the wider community: the yard retained, however, a heritage they wanted to defend, because it was deemed an irreplaceable major part of the local economy. The region's identification with the shipbuilding industry is therefore the result of long historical experience with multiple trajectories, condensed into a symbiotic relationship that has made the image of Sestri Ponente almost indistinguishable from its shipyard's activities.

### A quantitative profile of the work in Sestri Ponente

The first element we would like to highlight concerns the gender composition of the labour force: the majority of shipyard workers were men, with some females employed in cleaning and canteen work. This is a constant, which changed only partially during the period of the Second World War and in the past two decades, when there has been a limited increase in female employment in the shipyard. Employment statistics over the decades under consideration outline a clear trend, although it is one peppered with some variations. The reduction in the number of workers is constant and relevant. The data show a radical contraction of the labour force, which began in the mid-1950s and has continued ever since. In 1956 there were 5,235 employees; in 1965, 3,383; in 1970, 3,764; in 1980, 2,530; and in 1996, 1,020. By the year 2000, the numbers had fallen to 770 employees; although in 2004 this had slightly increased to 1,050, by 2010, only 770 employees remained, almost seven times fewer than in 1956.<sup>11</sup> This sharp decline had

11 Istituto per la Ricostruzione Industriale, Archivio generale e pratiche societarie (hereafter AIRI), FC, b. R1558, *Brevi note sulla cantieristica italiana degli ultimi venti anni. Genova 25 agosto 1977*; b. R1693, *Piano quadriennale 1980, Relazione*; b. R1564, *Bilancio consolidato 1998. Esercizio 1998*; b. R1566, *Preconsuntivo 2000. Budget 2001*; documents provided by Sandro Scarrone (interview 22 November 2012). It is better to consider the data as trends, because they are obtained from different sources.

several causes; including marked technological change, the organisation of the production cycle, and changes in the market for ships.

The recurrent crises in the sector have not simply reduced the number of workers: they have represented an unusual condition of employment. The role of social safety in Italy in the public sector has been translated, when necessary, into the absorption of the workforce dismissed from small companies in crisis into larger public industrial establishments, as happened in Sestri in relation to the troubled history of a local ship repair firm, OARN.<sup>12</sup> More generally, the result of labour disputes has undoubtedly had an influence on those entering the workforce: an example was the negotiation, completed in the mid-1970s, which led to the absorption of those who worked for outside contractors into the shipyard in Sestri.<sup>13</sup> Finally, the recruitment processes have been affected by domestic migration. Between the 1950s and 1970s, when the population of Genoa grew by approximately 150,000 inhabitants – mainly due to migration from southern Italy, where recruitment was extensive. The first recruitment drive was directed at towns in the South, where posters were displayed. The second was indirectly linked to the classic cycle of urban integration: after a period of work in small companies, often engaged in related industries of the sector, workers moved to work at Sestri. Similar models operated in more recent years, with migration from abroad becoming more prominent: for example, Croatian welders arriving in Genoa in the 1990s.<sup>14</sup>

Up to the 1960s workers at Sestri were mainly Genoese or Ligurian. This changed in the next decade as a result of the arrival of workers from different regions. Thereafter, many people from different localities and nationalities worked in the yard, with inevitable problems related to their integration and to language barriers. The district of Sestri, however, is still involved in immigration to some extent: according to municipal statistics (2010), 6 per cent of local inhabitants were foreigners, a percentage lower than the urban average of 8.3 per cent.<sup>15</sup>

12 The absorption occurred in 1992. There was a documentary and an exhibition on OARN, *OARN: una storia di uomini e navi* (by Luigi Pastorino, a former worker), which premiered at Genoa in 2012.

13 AIRI, fondo Italcantieri (hereafter ITC), b. R1688, *Piano quadriennale 1975, Relazione* (5 December 1975), 81.

14 Interviews with Diego Delzotto, Giulio Troccoli, and Bruno Manganaro (21 November 2012); interviews with Camillo Costanzo and Vincenzo Alicinio (22 November 2012).

15 Comune di Genova, Direzione statistica, *Stranieri a Genova al 31 dicembre 2010*, 10 ([http://statistica.comune.genova.it/pubblicazioni/storico/stranieri\\_2010.pdf](http://statistica.comune.genova.it/pubblicazioni/storico/stranieri_2010.pdf), accessed 22 September 2013).



**Table 8.1 Workers and clerks from 1959 to 1982 (percentages)**

	Workers	Clerks
1959	85.8	14.2
1960	85.7	14.3
1961	85.2	14.8
1962	84.6	15.4
1963	84.0	16.0
1964	83.6	16.4
1965	83.4	16.6
1966	86.3	13.7
1967	86.2	13.8
1968	85.6	14.4
1969	87.3	12.7
1971	89.9	10.1
1972	90.0	10.0
1973	90.3	9.7
1974	89.6	10.4
1975	88.1	11.9
1980	85.0	15.0
1982	85.5	14.5

Source: Istituto per la Ricostruzione Industriale, Archivio generale e pratiche societarie (hereafter AIRI), ITC, b. R1688, *Piano quadriennale 1975. Relazione* (Trieste, 5 December 1975); b. R1689, *Società Italcantieri. Note sul bilancio al 31 dicembre 1968; Società Italcantieri. Note sul bilancio al 31 dicembre 1969; Italcantieri. Bilancio al 31 dicembre 1971; Italcantieri. Bilancio al 31 dicembre 1972; Italcantieri. Bilancio al 31 dicembre 1973; Italcantieri. Bilancio al 31 dicembre 1974*; b. R1693, *Piano quadriennale 1980. Relazione* (Trieste, 8 October 1980); b. R1697, *Piano quadriennale 1982. Relazione* (Trieste, 16 September 16, 1982); Centro Ligure di Storia Sociale (hereafter CLSS), Camera del Lavoro di Genova (hereafter CdLG), Succursali Cdl di Genova-Sestri (hereafter Sestri), b. 4, FIOM-CGIL, *Inchiesta sulla struttura del salario nelle aziende metalmeccaniche Italcantieri Sestri P.* (February 1968).

The data on employment in Table 8.1 highlight that between 1959 and 1975 86 per cent of employees were workers, with peaks of 90 per cent.<sup>16</sup> The proportion of workers to clerks can be considered constant, with the exception of the early 1970s, when a favourable economic and commercial situation and the stimulus of the trade union battles allowed the hiring of hundreds of workers. Table 8.2 refers to the technical composition of the workforce and reveals the clear dominance of those with higher qualifications. In 1972, this percentage was 90 per cent of the labour force working in the yard. This peak owed much to collective negotiations arising from

16 Statistics about workforce are discontinuous in available sources. In case of Table 8.1 there are no figures for 1976, 1977, 1978, 1979, or 1981: despite the fact that the statistical series is incomplete, it nonetheless provides an overview of trends.

**Table 8.2 Workers' qualifications 1959-1975 (percentages)**

	Highly skilled workers	Skilled workers	Semi-skilled workers	Unskilled workers
1959	21.2	41.0	35.5	2.3
1960	22.2	42.7	32.8	2.2
1961	22.9	43.2	31.4	2.5
1962	22.6	43.3	31.5	2.6
1963	22.7	45.6	29.2	2.5
1964	22.0	46.7	29.2	2.1
1965	22.2	47.8	28.0	2.0
1966	21.9	48.4	28.1	1.6
1967	22.1	46.9	29.7	1.3
1971	23.2	42.6	33.2	1.1
1972	25.5	46.6	26.8	1.1
1973	25.3	50.6	22.9	1.2
1974	29.8	49.4	19.8	1.0
1975	36.4	51.7	11.7	0.2

Note: Workers in Italy were divided by national collective agreement into the four categories above based on the nature of the work and its specialisation. Totals may not equal 100 because of rounding.

Source: CLSS, CdLG, Sestri, b. 4

actual or threatened trade union action. It should also be highlighted that it was difficult for the company to find not only skilled workers, but also unskilled ones. During the 1970s there were extensive efforts to plan appropriate courses of pre-placement for workers, especially for the “younger generation”, organised with the help of the local ANCIFAP,<sup>17</sup> while IFAP from Rome – a branch of the IRI – was involved in the training and retraining of clerks and managers.<sup>18</sup>

At the end of the 1960s, the average age of workers and clerks was rather high, about 45 and 47 years old.<sup>19</sup> The data seem to be confirmed by the testimonies collected today, which give the impression of strong job stability: many employees, once they entered the yard, grew old doing the same job until retirement. The work in the yard crowned a long period of working life: the first part was spent in the apprenticeships in small enterprises;

17 The National Association IRI Training Centres and Training was formed in Genoa in 1936 and developed especially in cities where the group's companies were situated.

18 IRI, numerazione rossa, AIRI, ITC, b. R1687, *Piano quadriennale 1972-75*, f. 1 (Trieste, 10 November 1971), 85. IFAP stands for Institute for Training and Professional Qualifications.

19 AIRI, ITC, b. R1689, *Società Italcantieri. Note sul bilancio al 31 dicembre 1968*.

**Table 8.3 Workers in Sestri under 25 and 29 years old, 1974 and 1980 (percentages)**

Workers under 25		Workers under 29	
31 December 1974	31 August 1980	31 December 1974	31 August 1980
12.9	0.5	25.5	8.7

Source: AIRI, ITC, b. R1693, *Relazione* (Trieste, October 8, 1980), 87

**Table 8.4 Workers at Sestri by age in 1974, 1977 and 1980 (percentages)**

	0-20	21-24	25-28	29-32	33-36	37-40	41-44	44-48	49-52	53-56	57-60
1974	1.2	11.7	12.6	9.1	9.3	8.7	10.8	10.4	11.5	8.4	6.4
1977	0.1	5.4	12.7	12.5	11.1	10.9	10.7	11.6	11.8	9.6	3.5
1980	0.0	0.5	8.2	13.3	13.0	12.6	12.8	13.1	12.8	9.3	4.3

Note: Totals may not equal 100 because of rounding.

Source: AIRI, ITC, b. R1693, *Relazione* (Trieste, October 8, 1980), 87

employees then began to work for the public company. Employment at Sestri was a relevant “leap forward” in people’s lives, for better wages and working conditions, including safety. Retention of the skilled workforce along with the recruitment of adult workers increased the average age of the workforce.

The seniority of the workforce, in particular among the working class, was addressed by a report on the budget in 1980: it highlighted that the percentage of young people was “drastically decreased”.<sup>20</sup> A long-running trend has become acute in the years following the global crisis in 1973. During that crisis, the process of expulsion of labour from the yard penalised younger age groups. For example, the number of workers under 25 years old decreased from 25.5 per cent in 1974, to 8.7 per cent in 1980 (Tables 8.3 and 8.4). The expulsion of the lower age groups should therefore be linked to the lack of orders after the OPEC crises of 1973-1974, and it is the first indication of a significant change in the composition of the Sestri workforce, mainly related to seniority in service.

High rates of labour mobility are easily distinguishable as long as we include in the analysis the relationship between internal and external sub-contract and temporary workers. In the yard, in addition to the employees counted in official statistics, hundreds of people worked, some permanently, on behalf of small and medium-sized sub-contractors for

<sup>20</sup> AIRI, ITC, b. R1693, *Piano quadriennale 1980. Relazione* (Trieste, 8 October 1980).

**Table 8.5 Minimum wage of unskilled workers and women, 1959-1962 (lire per hour)**

	Unskilled workers	Women
1959	138.15	130.7
1960	138.15	130.7
1961	176.95	185.8
1962	176.95	185.8

Source: CLSS, CdLG, Sestri, b. 4, FIOM-CGIL, *Inchiesta sulla struttura del salario nelle aziende metalmeccaniche. Italcantieri Sestri P.* (February 1968)

certain services and processes. Statistics show the extent of this kind of work in the yard: some surveys conducted by the CGIL (Italian General Federation of Labour) in 1971 showed that of 3,200 workers employed in the yard about 860 were actually sub-contract workers.<sup>21</sup> The shipyard resorted to external companies when orders and production cycles required it, on an intermittent basis. Because of the labour agreement of September 1975, which opposed the hiring of outside workers, the use of this kind of contracts decreased drastically. As late as 1981, the company complained about long delays in the execution of the work, attributing this to union obstructionism, procurement problems, and overtime.<sup>22</sup> In recent years, however, the amount of sub-contracted work has increased dramatically, unbalancing the relationship with internal employees. On the one hand, it was the consequence of the increasing outsourcing of services in the public sector, not just in industry; on the other hand, it was the result of the change of the core business of Sestri Ponente to cruise-ship construction, for which the fitting-out operations – where the sub-contract work predominates – account for more than 70 per cent of the value of a ship. According to another union estimate, in November 2012, there were some 2,000 sub-contract workers, of which about 700 worked on a regular basis.<sup>23</sup> This number is comparable to the internal employees, of which there were 777 in 2010. Another much earlier form of mobility of labour was the phenomenon of workers transferred, in moments of particular need, from other yards of

21 Centro Ligure di Storia Sociale (hereafter CLSS), Camera del Lavoro di Genova (hereafter CdLG), Succursali CdL di Genova-Sestri (hereafter Sestri), b. 4, Italcantieri di Sestri. *Situazione ditte di appalto* (1 May 1971).

22 AIRI, ITC, b. R1693, *Piano quadriennale 1981. Relazione* (Trieste, 20 October 1981), 4-6.

23 CLSS, CdLG, Sestri, b. 4; interviews with Diego Delzotto, Giulio Troccoli, and Bruno Mangano (21 November 2012).

Table 8.6 Workers' wages, 1959-1967 (lire per hour)

	Highly skilled workers				Skilled workers				Semi-skilled workers I				Unskilled workers			
	Minimum wage	Contingency	Piecework average	Minimum wage	Contingency	Piecework average	Minimum wage	Contingency	Piecework average	Minimum wage	Contingency	Piecework average	Minimum wage	Contingency	Piecework average	
1959	173.25	26.94	99.24	155.55	24.19	90.75	138.15	21.44	138.15	21.44	79.39	176.95	17.87	53.4		
1960	173.25	31.37	101.75	155.55	28.19	93	138.15	25.06	138.15	25.06	77.32	176.95	5.37	52.31		
1961	221.85	6.75	99.27	199.2	6.06	84.34	176.95	17.87	176.95	17.87	53.4	176.95	17.87	53.4		
1962	221.85	22.44	119.15	199.2	20.12	104.37	176.95	17.87	176.95	17.87	53.4	176.95	17.87	53.4		
1963	221.85	45.19	135.31	199.2	40.56	119.82	188.6	38.94	188.6	38.94	62.77	176.95	35.75	62.77		
1964	221.85	68.81	144.27	199.2	61.69	126.39	188.6	58.75	188.6	58.75	63.62	176.95	53.62	63.62		
1965	221.85	83	140.26	199.2	74.31	126.07	188.6	70.69	188.6	70.69	60.1	176.95	64.37	60.1		
1966				199.2	80.63	122.67	188.6	76.63	188.6	76.63	59.58	176.95	69.75	59.58		
1967	221.85	86.94	141.84	199.2	82.56	124.24	188.6	82.56	188.6	82.56	57.35	176.95	75.12	57.35		

Note: The contingency allowance was a component of the Italian wage to align it to the cost of living; it was introduced in Italy after the Second World War by collective agreement. The original wage calculation system was gradually changed over time.

Source: CLSS, CdLG, Sestri, b. 4, FIOM-CGIL, *Inchiesta sulla struttura del salario nelle aziende metalmeccaniche. Italcantieri Sestri P.* (February 1968). See also collective agreements in b. 3

Italcantieri; this phenomenon is not observable for the whole period, but is nevertheless present.<sup>24</sup>

With regard to salary, although the changes in the labour agreement do not facilitate the reconstruction of a complete wage series, we can still summarise some macro-trends of negotiation. The difference in pay between men and women was observable until at least 1963;<sup>25</sup> men, as in the rest of the Italian industrial sector, earned higher wages than women did. Up to 1960, labourers, the category of male shipyard worker that was the least well paid, received a minimum wage higher than women (Table 8.5).

Until the 1970s, the salary structure was broadly divided into two parts: one fixed at the minimum wage; and payment by results, represented by piecework. As the data in Table 8.6 show, in Sestri during the 1960s piece rates accounted for one-third of workers' wages. In addition, from 1961 there was also a production bonus, not counted here. The structure of the piece rate or piecework was overhauled at the end of the 1970s, as we will see later in this chapter.

## Health and safety

A dramatic aspect of work at Sestri Ponente – certainly felt by the workers – was the dangers inherent to the job. During the 1950s, there were frequent articles addressing the issue in the official newspaper of the company, *L'Ansaldo*.<sup>26</sup> Both the company and trade union archives testify to the importance assigned to the problem. Of course, there were many other measures to be taken to limit the number of accidents that occurred in the shipyard, in the workshops, and in the basins of the yard. The incidence of injuries depended of course on typical working conditions of shipbuilding production, which took place in precarious places, forcing welders to work in narrow tunnels or people to work in solitude and in cramped conditions, at least in some phases of the construction cycle, and certainly more in the past than in recent times. A better idea of what it meant to work in Sestri in terms of safety can be inferred from the data and statistics contained

24 AIRI, ITC, b. R1686, *Nota sul programma aziendale a fine 1969*: Sestri “has been able to take advantage of the performance of substantial rates of workforce moved temporarily from Monfalcone”, 3. There was worker mobility between yards in the next period too.

25 From that year onwards, the union documentation tended to refer to two different wages.

26 For example, *L'Ansaldo*: 1 September 1954; 1 June 1955; 15 February, 1 April, 1 October 1956.

**Table 8.7 Accidents per million hours worked, 1968-1979**

	1968	1971	1973	1977	1979
Number of compensated injuries	95	148	129	133	138
Number of accidents requiring medical treatment	1,422	1,730	1,730	1,290	1,360
Number of production hours lost per accident	13.1	18	15.5	18.8	18.9

Source: AIRI, ITC, b. R1689, *Note sul bilancio al 31.12.69*, p. 8; ivi, *Bilancio al 31.12.71*; *Bilancio al 31.12.1974*; AIRI, ITC, b. R1693, *Relazione* (Trieste, 8 October 1980), 89

in the official reports. Table 8.7 describes the situation rather effectively for about a decade.

A union survey in 1968 subdivided risks according to the stage of the production cycle.<sup>27</sup> Just two examples from this survey are worthy of special attention. In the basin, according to a FIOM (metalworkers' union) document:

The construction of the bow and stern lockers, along with the pace and the delivery dates, makes this a hellish environment. In a few square feet of space the workers assembling the hull, masons, welders, and electricians worked one above the other, elbow to elbow.

Secondly, about assembly on board:

[it] is certainly the phase when the indices of harmfulness are the highest. All or almost all of the negative environmental factors (as they relates to shipbuilding) are added together. Temperature: too hot or cold. Humidity. Very poor air circulation. Low lighting. Dangerous scaffolding. Noise. Vibration. Radiation.

There were also risks arising from the presence of asbestos dust and marinite, welding fumes, and vapours of many other dangerous products. Given the inherently dangerous working environment, many union campaigns focused on the issues of health and safety at work.

27 CLSS, CdLG, Sestri, b. 3, *Appunti sull'ambiente di lavoro* (20 February 1968).

## Evolution of business and technical-production profile

The phase of post-1945 reconstruction and the needs posed by the conversion to the civilian market presaged the beginning of a difficult period fraught with uncertainties for the shipyard in Sestri Ponente. The shipyard had structural limitations inherent to its location in an urban environment, and was crossed by the railway line from Genoa to Ventimiglia. A profound reorganisation, moreover, was urgently imposed after the war for the entire Ansaldo group.<sup>28</sup> From that moment the yard was the centre of several renovation projects – some of which were realised, although others remained on paper – in order to try to reduce the constraints dictated by topography. In conjunction with the introduction of more modern techniques and with the improvement of the facilities and organisational systems, the aim was to make Sestri more productive and efficient in comparison to its international competition. In market terms, the yard had to deal with a new situation and it was necessary to change to respond to the emergence of a different composition of the demand for ships: the yard – which also launched cargo ships – had specialised in warships and passenger liners (passenger liners were built even later despite the growth in air travel). With Italy defeated in the Second World War there were fewer warship orders from the state, and the market growth sectors were in the liquid and dry bulk sectors as the world economy recovered and then grew in the post-war climate.<sup>29</sup>

Up until this period, Ansaldo's Sestri Ponente yard had been able to maintain a leading position in Italian shipbuilding – mainly thanks to its expertise acquired in building fast trans-Atlantic liners. The company had consolidated its position during the 1930s with the addition of new berths and 21 per cent of the national average annual production of hulls (32,000 tons per year under full employment).<sup>30</sup> A considerable handicap was, however, already detectable at the time of the launch of the famous trans-Atlantic passenger liner *Rex* in 1931.<sup>31</sup> In the immediate post-war

28 On the history of Ansaldo, see Castronovo (ed.), *Storia dell'Ansaldo*, and Doria, *Ansaldo*. The renovation was completed in 1948 on the basis of the plan for grouping together similar sections of production prepared by Finmeccanica (the holding company of IRI, formed to reorder the entire mechanical sector also including shipbuilding), and this led to the concentration into the Ansaldo Group of other yards, as Odero Terni Orlando (Livorno and Muggiano-La Spezia).

29 See Fioratti (ed.), *Ansaldo navi*, 17.

30 See Manetti, "La cantieristica e le costruzioni navali", 116.

31 See the document by the first Technical Committee created in 1934 within IRI to examine problems of the publicly owned part of the shipbuilding industry in Italy: Fragiaco, *L'industria come continuazione della politica*, 100.



period, the company tried to resolve this crucial problem by taking the first steps to rationalise its production. Between 1948 and 1952, some workshops and facilities required for staging were built at Sestri, and some docks and piers were served by special lifting equipment. But it was not enough in comparison to the better Swedish, German, or Japanese companies, where, following wartime American practice, considerable progress had been achieved in the prefabrication and assembly of hulls. Nonetheless, from 1954 to 1957, Italian shipbuilding was able to survive thanks to subsidies amounting to 27 per cent of the cost of cargo vessels and 21 per cent for passenger liners built in Italy arising from the Tambroni Act (named for the minister of the merchant marine) of the spring of 1954. This act replaced and co-ordinated earlier measures, and was designed to expand the Italian merchant marine and bring the output of Italian shipyards near capacity levels.<sup>32</sup> This level of subsidy masked the fundamental lack of competitiveness of Italian shipbuilding in the international context,<sup>33</sup> but nevertheless had important repercussions on production. Italy's share of world output rose from 3 to 5.7 per cent, but the subsequent downturn in international freight rates from 1958 onwards demonstrated the fragility of the Italian position: 25 per cent of the orders held by Italian shipyards were cancelled.<sup>34</sup> The cost gap with other countries was substantial and difficult to resolve because of the deficiencies of the technical and production systems of Italian yards.

At Sestri, facilities were totally outdated: the different parts of the hull were transported by a system of cable cars, each of which had a capacity under 4 tons; assembly took place in the open, on an inclined plane where the ship was launched. In 1959 a project of modernisation began: the aim was to raise Sestri to a first-rate industrial level within the European shipbuilding industry. In fact, in 1967, when this programme was almost finished, the yard had been fundamentally changed. Cableways and inclined slopes had been replaced by the building of three basins, each served by 60-ton capacity cranes. New covered welding and steel-fabrication halls were built, and optical marking of steel plates began. The steel-plate storage area was expanded by annexing 12,000 m<sup>2</sup> first occupied by the Ansaldo Fossati. A dual ramp, which opened to traffic in 1960, put in direct communication

32 Law no. 522, 17 July 1954.

33 In 1938, the level of subsidies available to Italian shipbuilders was 40 per cent; see Parkinson, *The Economics of Shipbuilding in the United Kingdom*, 195.

34 AIRI, FC, b. R1524, f. Note e relazioni dell'IRI, *Situazione e problemi dell'industria cantieristica* (24 July 1958).

central areas of the yard: the welding workshops and the basins, respectively located upstream and downstream of the railway.<sup>35</sup> Overall, it was an investment of 15.5 bn lire.<sup>36</sup>

But the expectation that this modernisation would mean that Sestri could match its foreign competitors' levels of productivity and ship prices was unfounded. In fact, IRI's own leaders did not believe in the modernisation programme. Before the modernisation plan was launched, the prefect of Genoa and the Ministry of State Holdings contacted IRI, lamenting the reasons that hindered its approval, because it would be difficult "to maintain the current employment at the end of the orders".<sup>37</sup> The concerns for the political and social consequences of a potential closure of Sestri won against purely economic logic. It must be said, however, that the city of Genoa had already witnessed a considerable downsizing of its industrial infrastructure, much of which took place under public control and resulted in the reduction of about 50 per cent of workers in a decade.<sup>38</sup> The restructuring of Sestri (with other initiatives such as the expansion of the steel mills of Cornigliano) became a measure of compensation, and IRI could not escape from this mechanism.<sup>39</sup>

Without modernisation, the fate of Sestri would probably have been sealed, as Giuseppe Petrilli, the president of IRI, wrote in a letter to Minister for State Holdings Giorgio Bo: on one hand, he applied new funds in order to achieve the laws approved by parliament to support the sector at the beginning of the 1960s.<sup>40</sup> On the other hand, he urged the authorities to install new measures to replace the ones that were expiring and, in response to the clarification requested by the EEC – which was opposed to state subsidies – to send a government memorandum in which they reiterated the reasons for continuing aid.<sup>41</sup>

35 The modernisation work on the site is described in Esercizi, Ansaldo, from 1960 to 1966, AIRI, fondo Ansaldo (hereafter Ansaldo), b. R1158.23, Assemblee e bilanci 1961-1970.

36 AIRI, FC, b. R1526, f. Relazioni e appunti IRI-Fincantieri, *Investimenti nei cantieri* (12 October 1966).

37 AIRI, FC, b. R1526, f. Corrispondenza, *Genova – Riordinamento aziende IRI*, lettera del ministero delle PP.SS. all'IRI (26 November 1958).

38 AIRI, FC, b. R1526, *Rapporto sulla politica cantieristica italiana nel quadro del Trattato di Roma*, February 1961, 7-8.

39 AIRI, FC, b. R1526, f. Relazioni e appunti IRI-Fincantieri, Società cantieristiche del gruppo IRI. *Problemi e provvedimenti* (13 December 1960), 6-10.

40 In particular, Law no. 301 31 March 1961 supplemented the Tambroni Act, which assigned contributions to ships built in shipyards for Italian and foreign national military: laws no. 1 and 2 of 9 January 1962, concerning ship financing and contributions for scrapped vessels.

41 AIRI, FC, b. R1526, f. Corrispondenza, letter, 4 October 1963.

Meanwhile, the Italian public shipbuilding sector was separated from Finmeccanica and vested in Fincantieri, a new financial company created in 1959.<sup>42</sup> The global crisis in the shipping sector began in 1957-1958 with a substantial fall in freight rates, and recession followed for most of the following decade with very serious consequences for Italian shipyards. Accordingly, suspensions and dismissals were a real risk for Sestri, where underutilisation of the yard's capacity increased the risk of redundancies caused by the restructuring period.<sup>43</sup> It was expected that 2,100 workers were at risk of losing their jobs in 1964.<sup>44</sup> Letters to ministers in Rome were sent by the mayor of Genoa, Vittorio Pertusio, and by the president of the province, Francesco Cattenei, hoping to avoid reductions in the Sestri workforce.<sup>45</sup> However, what was needed was not more time for solutions at the level of individual production unit, but an examination of the overall situation in Italy in terms of excessive fragmentation of the operating units, the heterogeneity of productive enterprises, outdated plant and machinery, low productivity, and inefficient management. A committee chaired by Giuseppe Caron was created as part of the Interministerial Committee for Economic Planning (CIPE) with the task of providing guidelines for the restructuring of the Italian shipbuilding industry. The industry had lost ground to other European competitors and to Japan. The overall situation in Europe prompted a change in the hitherto hostile attitude of the EEC on the continuation of state subsidies, and in April 1965 the EEC promulgated a draft directive allowing the granting of state subsidies to shipbuilding, with a limit of 10 per cent of the value of the ship.<sup>46</sup>

The proposals by Caron's commission incorporated the reorganisation plan presented by Italcantieri and approved by IRI. It established on one hand the combination into one operating company all the yards considered useful for a possible recovery and, on the other, the conversion of smaller shipyards to ship repairing, and in some cases closure. In addition, the commission subordinated these interventions "to the questions of a social

42 On the creation of Fincantieri, see Carminati, *Il settore delle costruzioni navali tra globalità e nazionalità*, 159-200; Galisi, *Dai salvataggi alla competizione globale*.

43 At that moment, the few orders in the works were part of a special programme developed by Finmare – the financial company of the IRI group that controlled the major Italian shipping company – in order to prevent the orderbooks being empty.

44 AIRI, FC, b. R1524, f. *Esuperanza di personale, Esuperanze personale aziende cantieristiche "Fincantieri" previste alla fine del 1964*.

45 AIRI, Ansaldo, b. R1157.22, f. *Riordinamento del cantiere navale di Genova-Sestri*, letter by Petrusio to Minister Bo (3 October 1963); letter from Cattenei to Petrilli, 24 October 1963.

46 Doria, *Ansaldo*, 293-294.

and economic nature, related to the general conditions of the local area",<sup>47</sup> It thus reaffirmed that protection of employment was a principle to be defended, as well as, if necessary, establishing new activities for workers as compensation measures. At the same time, some passages contained in the committee's report brought to light a degree of scepticism about the real possibility that the Italian shipbuilding industry could rise to the level of the world's largest producers. For example, the report stated that the rationalisation would in any case be insufficient "to soothe the pain of this particular sector of the domestic industry, because [the pain] is rooted in the social and political situation of Italian reality".<sup>48</sup> The government approved the Caron Plan and a few days later, on 22 October 1966, Italcantieri was born; its general shipbuilding division encompassed the shipyards of Castellammare, Monfalcone, and Sestri Ponente.<sup>49</sup>

All shipyards under Italcantieri had a production specialisation. The choice of IRI to establish the headquarters of the General Directory in Genoa contained in the 1965 Caron Plan sparked the beginning of a serious dispute with Trieste, already apprehensive because of the expected downsizing of its San Marco shipyard. The strong pressure exerted by public opinion and by the institutions in Trieste, supported by a fierce press campaign orchestrated by local newspapers, prevailed over the claims of Genoa, and the IRI chose Trieste as the headquarters and design centre of Italcantieri. The move was emblematic of the politics of compromise, susceptible to local interests, which inevitably intertruded in the politics of the system of state-controlled companies.<sup>50</sup> The centralisation of ship design in Trieste meant that the technical department of Sestri remained active only for liquid natural gas carriers, which at that time marked the workload of the Genoese yard as did other "sophisticated" ships, such as containerships. However, LNG carriers built in Sestri in the second half of the 1960s had notable technical problems, attributable in part to the delay of the company Chicago Bridge in the machining of the cryogenic parts of these vessels.<sup>51</sup>

47 AIRI, ITC, b. R1696, *Relazione della commissione interministeriale di studio per i cantieri navali* (Rome, 1966), 135.

48 *Ibid.*, 77-78.

49 AIRI, Ansaldo, b. R1158.23, *Assemblee e bilanci 1961-1970, Relazione del CdA all'assemblea degli azionisti dell'Ansaldo tenutasi il 28 dicembre 1966*. The Sestri shipyard passed officially to Italcantieri on 1 February 1967. See *ibid.*, Plan 1967, 8.

50 AIRI, FC, b. R1526, f. *Relazioni e appunti IRI-Fincantieri, relazione Cantieri navali - Ristrutturazione* (Rome, 7 October 1966).

51 AIRI, ITC, b. R1686, *Programma quadriennale 1969-72. Note riassuntive* (Rome, November 1968), 8.

Given the problems encountered on LNG carriers from the 1970s the workload was focused on two types of ships: bulk-oil carriers and container ships.<sup>52</sup> It was, however, a transitional phase, in which in fact Italcantieri planned to reorganise its plant and equipment in order to reduce its construction lines and so that each factory would specialise in monotype production. In 1972, with two production lines instead of three, repeat orders accounted for 93 per cent of Sestri's workload.<sup>53</sup> However, the oil crisis of 1973-1974 sparked a drastic decline in the freight market, especially for oil tankers, calling into question Italcantieri's strategy of monotype production, which particularly affected the Monfalcone shipyard, which exclusively produced very large oil tankers. Not surprisingly, the comments about the four-year plan in 1973 warned about the completion of a monotype conversion of Sestri shipyard.<sup>54</sup> The plan of 1975 emphasised the importance of achieving "technological, organisational, and engineering effective improvements".<sup>55</sup> Subsequently, these improvements, particularly in fabrication and welding of sub-assemblies, when completed, increased production and ultimately kept costs down.

In August 1974, Italcantieri presented a programme of modernisation of its Sestri shipyard to IRI. The plan called for the creation of a new block-construction manufacturing plant. The anticipated area set aside was over 100,000 m<sup>2</sup>, made up of 34,000 m<sup>2</sup> of land occupied by old plant, the acquisition of 21,000 m<sup>2</sup> of state-owned land, and the reclamation of 47,000 m<sup>2</sup> of land covered by water.<sup>56</sup> Overall, when completed, it was estimated that an increase would result in production capacity from 50,000/60,000 to 90,000 tons per year. Without this investment, worth 20 bn lire, Sestri would have been unable to compete with the best of the competition.<sup>57</sup> In supporting the project Italcantieri used traditional arguments that emphasised the expectations of workers "particularly worthy for the professional maturity and operational commitment that characterise them", who had waited "for too long a time for major investments in Sestri".<sup>58</sup> However, the post-OPEC crisis in the mercantile market imposed a significant downsizing on the investment programmes and therefore on the prospects for the shipyard's

52 AIRI, ITC, b. R1687, *Piano per il quadriennio 1971-74*, f. 1 (Trieste, 23 November 1970), 32.

53 AIRI, ITC, b. R1695, *Esercizio 1972*, 6.

54 AIRI, ITC, b. R1687, *Osservazioni sul piano Italcantieri a fine 1973*, 7.

55 AIRI, ITC, b. R1688, *Piano quadriennale 1975. Relazione* (Trieste, 5 December, 1975), 29.

56 AIRI, ITC, b. R1697, *inserto "g", Sistemazione degli impianti di scafo del cantiere di Sestri* (31 July 1974), 4.

57 *Ibid.*, 9.

58 AIRI, ITC, b. R1688, *Piano quadriennale 1974. Relazione* (Trieste, 9 December 1974), 10.

modernisation. In June 1978, the possibility of beginning reclamation of land from the sea had not yet become possible (there remained the issue of difficult negotiations with local authorities for the acquisition of the areas to be reclaimed). However, the four-year plan drawn up in November of that year postponed to the following year any decision in relation to this and to 1982 the probable beginning of the investment in plant.<sup>59</sup> Among the objectives of the four-year plan in 1982 again appeared the elimination of “bottlenecks in the production flow resulting from the presence of the railway overpass”, but the layout of the shipyard remains largely unchanged to this day.

The changes that did occur were in terms of work organisation. By an agreement of October 1975, the company and unions agreed to abolish the system of piecework by 31 December 1978. Instead, a new organisational system was developed, known as “islands”, which would have to overcome the piecework component of production while ensuring the overall control of production and yields, focused on the use of the workers according to the principle of “expanded craft”. The island is a basic unit of production in which workers perform various operations complementary to each other, designated by a programme (*cedola di lavoro*). This method creates joint responsibility and implies that workers perform tasks other than those strict specifications of their craft.<sup>60</sup> The island system, launched in 1977 in Sestri, aimed to eliminate waiting times and optimise work performance, subject to a process of collective control of time and carried out by “new” workers, who were flexible and versatile. For these reasons, there was considerable working-class resistance to the adoption of the new organisational system developed in Sestri; this resistance was deemed to be more fierce than in other establishments.<sup>61</sup> Meanwhile, the fall in global demand assumed the proportions of a real collapse. Many shipyards in Europe closed, and even Japanese yards cut labour and acquired contracts at a loss.<sup>62</sup> There was a sharp

59 AIRI, ITC, b. R1691, *Piano quadriennale 1978. Relazione* (Trieste, 10 November 1978), 60.

60 The method and experimental path adopted in establishments Italcantieri are illustrated in a document in AIRI, ITC, b. R1696, *Il caso Italcantieri*, December 1978, 121ff. On the island system, see Merotto, Sacchetto, and Zanin, *Fincantieri fabbrica globale e territorio*, 37ff.

61 AIRI, ITC, b. R1693, *Piano quadriennale 1977. Relazione* (Trieste, 8 October 1980), 54: “The organisation of ‘island’ work has been extended to almost all productive sections of Castellammare shipyards, while unions and workload have prevented the launch in some departments at shipyard of Sestri. The analysis of the first results confirms both the maintenance of productivity and reduction in accounts aids and services, although the basic principles of the new organisation, such as enlargement of the trade and joint responsibility, have not yet been satisfactorily applied.”

62 See *Rapporto sull'industria cantieristica giapponese*, October 1979, inside *Piano quadriennale 1979*, AIRI, ITC, b. R1693.

deterioration in economic performance of Sestri, from a profit of 4.4 bn lire in 1976 to a deficit of 13.9 bn lire in 1978, caused by a decrease in production volumes and lower remuneration for orders. According to business calculations, the market prices covered just 55 per cent of the cost of the ship.<sup>63</sup>

Despite the freeze on hiring, extended until 1984, and the attempt to settle the production in monotype, the shipyard, facing gaps in work, could not escape layoffs, launched in April 1980. From that year, among the solutions proposed by Italcantieri to revive the fortunes of the national shipbuilding industry (the reactivation of ship financing, the modernisation of national armament, alternative market prospects in the field of offshore and floating production plant) began to appear the possibility of “deactivation” of the Sestri Ponente shipyard.<sup>64</sup> Otherwise, governmental charges of 350 bn lire a year to stay in the market and compensate for gaps in production were predicted. Italcantieri discussed the matter until 1984: that year Fincantieri, the financial holding company with headquarters in Trieste, became the new operating company (with a divisional structure of merchant shipbuilding, naval shipbuilding, ship repair, and marine engine building after merging eight subsidiaries) and issued yet another restructuring plan. The plan provided for a reduction in production capacity and the “drastic reduction of the shipyard in Sestri”<sup>65</sup> already provided for by the document drawn up by the Technical Advisory Committee for the shipbuilding industry and welcomed by the so-called Carta Plan, named after the minister for the merchant navy. However, the protocol approved at the Presidency of the Council of Ministers on 27 November 1984 committed the government to keep the shipyard open; it was to develop “integrated specialised productions – in addition to maintaining a naval [merchant] production function”.<sup>66</sup> However, Fincantieri failed to register profits: losses in 1985 totalled 89 bn lire; in 1986, 59 bn lire; and in 1987, 89 bn lire, the last prompting another reconstruction plan with the provisional aim to break even by 1990. This was substantially assisted, in addition to EEC subsidies, by a government package

63 AIRI, ITC, b. R1696, *La situazione e le prospettive della cantieristica a partecipazione statale* (Rome, 28 May 1980), 16.

64 *Ibid.*, 14.

65 AIRI, ITC, b. R1695, *Verbale dell'assemblea ordinaria degli azionisti della società Italcantieri* (2 May 1984). Fincantieri delegated merchant-ship construction to five yards, Ancona, Castellammare di Stabia, Sestri Ponente, Livorno, and Venezia Marghera. Naval warship-building was devolved to Muggiano and Riva Tregoso, with the Monfalcone yard building merchant and naval vessels. Ship-repair work was delegated to six yards at Trieste, Venice, Genoa OARN, Palermo, Naples, and Taranto.

66 The Provincial Council of Genoa approved article 6 of the *Protocollo di orientamenti e decisioni del governo sull'economia marittima*. AIRI, FC, b. R1555. *Corrispondenza col M/ro PP.SS.*



of aid to Italian shipowners, who would be eligible for interest subsidies on domestically ordered tonnage. Indeed, up to half of the price of a ship would be covered by one subsidy or other. As Daniel Todd has noted, the scheme was successful: the Fincantieri orderbook, which stood at a meagre 85,000 dwt in 1985, rose to 807,000 dwt one year later and undoubtedly saved the Sestri Ponente yard from closure. In addition, the Italian state shipping company Finmare allocated sums for a fleet-renewal programme from 1987. Accordingly, Finmare companies accounted for 54 per cent of Fincantieri's merchant ship newbuilding capacity at the beginning of 1989.<sup>67</sup>

The 1990s were characterised by a profound change that swept through the state holdings, a process that ended with the abolition of the relevant ministry in 1993 and the liquidation of IRI, which took place in 2000. The company reoriented its mercantile production to large cruise ships, intended for a fast-growing international niche market.

In October 1993 the Sestri shipyard was separated from Fincantieri and transferred to the newly formed company Sestri Cantieri Navali Spa (owned almost entirely by Fincantieri itself), with the purpose of enabling co-operative projects in the area of marine systems.<sup>68</sup> Nearly a decade later, in September 2002, the shipyard returned to Fincantieri.<sup>69</sup> In the interim, the Sestri plant had transferred its activities to the high value-added cruise-ship market. Cruise-ship construction had in fact increased the backlog of orders at Sestri, and it was now joined in the production of "floating hotels" by the Monfalcone and Marghera establishments, to the point that Fincantieri approved new investment to improve these facilities for cruise ships.<sup>70</sup>

This situation lasted until the 2008 world financial crisis, which resulted in a precipitous drop in orders that has once again engulfed the sector and called into question the future of the Sestri Ponente shipyard.

## Workers' struggles at the Sestri Ponente shipyard

Sixty years separate the workers' struggles that took place in Sestri during the reconstruction phase from those to which now pertain. A considerable amount of time passed – along with major turning points – in which many

67 Todd, *Industrial Dislocation*, 83.

68 AIRI, FC, b. R1571, *Verbale del comitato esecutivo Fincantieri* (20 November 1992).

69 AIRI, FC, b. R1584, *Verbale di assemblea straordinaria della società Sestri Cantieri Navali S.p.A.* (4 September 2002).

70 The planned expenditure amounted to more than €35 mn; see AIRI, FC, b. R1582, *Verbale del CdA di Fincantieri* (4 April 2002).



of the aspects that affect the life of the shipyard have changed. Yet, yesterday as today, there is a common denominator in the workers' movement: avoiding mass layoffs and obtaining guarantees to continue employment. During the period of post-war reconstruction, the labour movement showed great resilience. In spite of the defeats suffered by the left and a decidedly unfavourable power relationship, the labour movement continued to act secretly in anticipation of change triggered by the resistance to and the defeat of Nazism and fascism. Political and trade union structures had taken root, and the area around the shipyard was distinguished by "a chain of uninterrupted neighbourhoods with a composition exclusively popular [...] a panorama singularly compact and homogeneous from the point of view of class", to quote the words of Antonio Gibelli.<sup>71</sup> The situation after the Second World War was, therefore, in many ways not comparable to that of today: in the first case myths – and rhetoric – of a productive working class remained prevalent. This emphasis on productivity reflected aspirations to control the entire production process and ambitions to achieve self-management, an alternative to taking direction from the company.<sup>72</sup> In the second case, job survival becomes the motivating factor. In addition to the claims made on the national level (remuneration, working hours, holidays), the most forceful requests at the local level were about the work environment and trade union rights, but also led to the idea that wage levels should be independent of productivity.<sup>73</sup> Below we will analyse the circumstances of the three moments of struggle, in the early 1950s, the late 1960s, and post-2000.

The 1950s represented a turning point for the labour movement in Genoa. The restructuring plans of the mechanical engineering and the steel industries instigated thousands of layoffs and redundancies. The alarms caused by redundancies and the withdrawal of managers from factories in liquidation led workers to engage in all-out strikes and sensational initiatives. As was the case at the St George factory, the workers of the Sestri Ponente shipyard decided to self-manage production. It was the time of the "72 days of occupied Ansaldo", from 28 September to 9 December 1950. During this period workers worked on a vessel commissioned by the owner Lauro, an oil tanker, *Will*, of 18,000 grt, eventually launched on 29 January 1951. The action was not confined to Sestri Ponente but was supported by all Ansaldo

71 Gibelli, "I 'grandi costruttori'", xxiv.

72 On this cycle of workers' struggles in Genoa, see interventions that appear under the title "Gli operai di Genova (1950-1970)" in the journal *Classe*, 19 (1981), 65-126.

73 AIRI, ITC, b. R1690, *Bilancio Italcantieri 1968* (May 1969), 17.

workers. The Ansaldo conglomerate employed 20,000 workers, of which only 250 chose not to join the strike; the majority of these were managers, while the rest of the workers were united in their opposition to the 4,417 layoffs, which precipitated the occupation. The union FIOM-CGIL had a leading role in the occupation of the shipyard, and in general the strike was highly organised, mainly thanks to the work of the “internal commissions” and “management councils”.<sup>74</sup>

In addition to the trade unions, another important actor emerged: the Roman Catholic Church, which had always played a prominent role in the events of the shipyard. Even the communist PCI (Partito Comunista Italiano), then the largest communist party in the Western world, also accepted the presence of the church, which combined with political campaigns that the party was leading at the national level, in support of the plan of work started by the CGIL and, more importantly, of the peace movement. The PCI tended to emphasise the importance of moral values in particular, such as solidarity among the workers of Ansaldo and the fact that they were working while not receiving a salary. For example, in an article published in *Rinascita*, the weekly theoretical journal of the party, Luigi Longo listed the associations and institutions that had expressed solidarity with the workers of the shipyard and then appealed to the constitution and national solidarity for “a positive mobilisation and struggle of ever new layers of workers and population”.<sup>75</sup> In the struggles of the 1950s there emerged the following main components: strong organisation, a leading role for the trade union CGIL, broad participation of workers – not just of the shipyard, but also of all Ansaldo’s factories –, and an atmosphere glorifying the willingness to peace. There was also a great work ethic and vigorous reference to Soviet productivity models. Gibelli described the universe of workers of Ansaldo as:

Inside the mythology of the factory, of labour and its products, lived the mythology of the new man to be built, a future to be realised [...] In this way the work ethic is welded to a political ideal with strong moral content, which ideally joined, in an unbroken thread of continuity and consistency, setting the ship in the shipyard, alongside the resistance against dismissal and the fight against repression, the struggle for peace and for the defense of the USSR from the aggression of imperialism. A vision of what constituted the safest bearer, the most consistent and

74 Botta, “Gli anni cinquanta a Genova”, 86.

75 Longo, “Le lotte per il lavoro e il pane degli italiani”, 504-508.

unwavering defender, was the communist militant in the factory, the professionalised worker, master of the craft, an example and model for his comrades both on a moral and political as on that of the work.<sup>76</sup>

At the end of the 1960s, there was another significant round of strikes in the shipyard – now part of Italcantieri – in very different circumstances from the ones just described. The more macroscopic effects of the post-1950 economic boom were fading, and the Italian situation was beginning to arouse anxieties. The student revolt of 1968 and the “Hot Autumn” of 1969 initiated a social and political conflict in a country emerging transformed by the “economic miracle” and not just with increased well-being: the development had also produced severe distortions and irreconcilable contradictions. The management described the situation of the shipyard in terms of contrast, in an analysis in which there were conflicting elements. On the “weak points”, the company wrote:

Union unwilling to co-operate, disrespectful of the pacts signed (they immediately strike without performing proper procedures of negotiation), which uses irregular forms of struggle (intermittent strikes).

As for the “strengths”:

Staff and managers basically healthy (better than the union that exploits them) satisfactorily responding to moral incentives (self-esteem, professional pride), the actions of training, to different incentives, and therefore likely, even for the rejuvenation that is going to begin, improved returns in the new organisation.<sup>77</sup>

In the strike at the end of the decade, in fact, the union did not have a prominent role, at least in principle. It was a mobilisation born within the shipyard, but the workers involved were not Italcantieri employees, but Chicago Bridge's, an American company specialising in LNG carriers. Workers numbered between 1,000 and 1,300 people, and the pay was good, but the working conditions were deemed to be very bad. The authoritarianism of management increased the discontent among the workers concerning dismissals and dangerous work, the latter apparently worsened with the use

76 Gibelli, “I ‘grandi costruttori’”, xlix.

77 AIRI, ITC, b. R1686, *Piano per il quadriennio 1968-71. Parte generale sintesi e linee impostative del piano*, 6-8.

of a new welding process that involved the use of aluminium. In October 1968 workers began an all-out strike that would last for ten consecutive days. In the memory of the witnesses:

That fight was really legendary [...] [workers] upset industrial relations policies, invented new methods of struggle and new forms of organisation, and especially created new relations between workers and society.<sup>78</sup>

From there was born a rapport between the Chicago Bridge workers and the collective of local university medical students, which occurred mainly on the issues of health and safety. This group, in fact, developed a test to be submitted to the workers on working conditions and health in the workplace, creating fierce unity between students and workers. American executives immediately tried to dismiss the struggle, firing workers who distributed leaflets and questionnaires. The PSIUP<sup>79</sup> of Genoa, which in a January 1969 flyer emphasised that from a “defensive” position the movement had changed to an “offensive and articulate” line. They also recognised the character of the struggle as being different from those of the past.<sup>80</sup> Of particular importance was a leaflet signed by “A group of workers at the Chicago Bridge and the neighbourhood group of the student movement” dated September/October 1968, in which they explained the danger of the work during the preparatory phase of construction. The authors described the noise level and the development of metal powders, as well as the risk of diseases that fall into the group that were not covered by the public health service. They denounced the excessive heat in the welding phase, responsible, they said, for a reduction in attention and a decline in energy levels, and the presence of ultraviolet rays, responsible for the formation of cancers and eye irritation that could cause eye diseases.<sup>81</sup> It was a rather spontaneous conflict, with the union reduced to a role that was still relatively safeguarded by the link established between workers and students, in line with the atmosphere in the most important factories in Italy. The content of the struggle was also new, focusing on workers’ health, safety, and working conditions. Despite the negotiations initiated by the union in

78 Archivio dei movimenti a Genova e in Liguria, Biblioteca Civica Berio, “Autobiografia del 68 a Genova e in Liguria. Le occupazioni universitarie, la Chicago Bridge” (VTS\_O1\_1) mm. 15,44 (Genoa, 2010).

79 The Socialist Party of Proletarian Unity was created in 1964. See Agosti, *Il partito provvisorio*.

80 Archivio dei movimenti a Genova e in Liguria, Biblioteca Civica Berio, Fondo Bruno Piotti, faldone IV, *Chicago Bridge: una lotta che non deve rimanere isolata*.

81 *Ibid.*, *Compagni della Chicago Bridge*.

early November 1968 and the acceptance of all workers' demands on wages, working conditions, and prospects, sixteen workers were summoned in June 1969 by a court order to appear for questioning; they had been investigated for months without their knowledge. They had to respond to allegations of domestic violence, unauthorised marches, and injuries. The multiplier effect of the workers' struggle did not wait: in Sestri there began a series of strikes organised by working areas, which then moved to all suppliers, with serious damage to the timing of the flow of materials and for the image of the company, which described a catastrophic situation in the four-year plan 1970-1973:

Everything is against us: the actions of the union (official and "rebellious") which, while aiming to punish the "master" or protest against the state, seriously detract from business efficiency [...] The political "carpe diem" sanctions in fact only the obligation to strike, and strikes that are often illegal and destructive for the company. Crimes are in fact unpunished [...] leaders, without whom large masses of workers would not be capable of fruitful work, have a growing sense of painful powerlessness. It is a deadly virus for the future of the company.<sup>82</sup>

The year 1969 was unique, with a total amount of 1.5 mn strike-hours in all sites of Italcantieri. As early as 1970, the strike-hours were reduced to 0.3 mn, which grew to 0.67 mn in the following year. However, severe outbreaks of discontent returned often in the course of the decade: for example, during contract negotiations, on the question of classification of workers on piecework rates, and so forth. In the mid-1970s, almost 20 per cent of hours lost were due to absenteeism.<sup>83</sup> The workers' struggles of the 1970s largely attained their objectives, economic and contractual, upsetting the traditional balance of power in the shipyard. However, to defend the workplace, the workers themselves initiated the largest labour mobilisation in recent memory. On 8 September 1983, Italcantieri announced that the Sestri Ponente shipyard would be closed. They gave two reasons for the closure: the site was considered obsolete and production too expensive compared to other sites in the group. Moreover, the city of Genoa was estimated to be capable of absorbing the industrial workers of the shipyard. The prediction of the yard's closure dated to a few years before. The Italcantieri programme for the years 1981-1984, drawn up at the end of 1980, provided for the reduction

82 AIRI, ITC, b. R1686, *Piano per il quadriennio 1970-73*, file 1 (Trieste, 15 January 1970), 1.

83 AIRI, ITC, b. R1688, *Piano quadriennale 1975. Relazione* (Trieste, 5 December 1975), 90 (table).

of shipyards' production capacity. The target, set in 1979, was to lower the production capacity from 250,000 to 200,000 cgt.<sup>84</sup> For this reason, it was necessary to close a medium-sized yard, identified as Sestri, whose workload would be exhausted at the end of 1982. Italcantieri considered the closure of Sestri a strategic necessity. There thus arose the problem of finding a place for the workers. In this regard, the solution advocated was to transfer the workers to other companies of Italcantieri. One thing seemed certain: Sestri would cease to manufacture ships. Although the yard was kept open (which had been considered improbable by many), it would be conducting another activity, "to be found, however, outside the shipbuilding industry".<sup>85</sup> The path to the end, moreover, had been established: it provided a gradual shift in numbers of layoffs, from 430 employees in the third quarter of 1981 to the remaining 2,365 in the following year, until 31 December 1982, when the shipyard would close. The layoff programme combined with mobility of labour and retraining would allow the gradual accommodation of all staff "either by transfer to other local companies, or by resorting to proper incentives for early retirement".<sup>86</sup>

Despite this plan, the shipyard remained open, but on 8 September 1983 Italcantieri communicated its desire definitely to close it. The reaction of the workers was bitter, and they began a series of protests that enjoyed the broad support of the citizenship and the involvement of institutions and the Roman Catholic Church, especially in the person of the cardinal of Genoa, Giuseppe Siri. In this case, the protest of the shipbuilding workers extended to workers in the harbour, the private arsenals, and all companies thrown into crisis by the dismantling of the system of state holdings. On 1 October 1984, hearing the news that Fincantieri had cancelled, without notice and without explanation, the meeting with representatives of trade unions planned for the next day in Rome, there was a huge demonstration and occupation of the railway station. The demands of the protesters were threefold: the restoration of 80 bn lire in funding for the shipbuilding industry that had been cut, the immediate resumption of negotiations with Fincantieri, and the guarantee of a share of orders for Sestri. The closure of Sestri Ponente was eventually averted thanks to the collective actions of the workers and the contribution of all the citizens of Genoa: the local and national press, the Roman Catholic Church, and national politicians fearful of increasing levels of social unrest. Workers and trade unionists

84 AIRI, FC, b. R1546, *Nota sul programma del gruppo Fincantieri 1981-1984*, 18.

85 *Ibid.*, 19.

86 *Ibid.*, 22.

did not limit themselves to organising meetings: they went out onto the streets every night to discuss the situation with citizens. Cardinal Siri was very influential in the Vatican and especially in urging priests to denounce the idea of closing the shipyard during his homilies. Solidarity was also expressed by Sampdoria, the football team of Genoa: the players' visit to the shipyard was reciprocated at a football match, from the entrance of the workers on the pitch: an episode which long remained in the memory of many people. There were demonstrations for a year and at the end of 1983 Italcantieri, in drawing up the programme for the years 1984-1989, stated that "to mitigate the severe tensions" generated by the dispute, they were considering the possibility of preserving some of the workers' jobs, by using them in different processes, similar to ship-construction techniques.<sup>87</sup>

Earlier, on 4 August 1983, the IRI had approved the reorganisation plan presented by Italcantieri. It provided, in addition to the closure of the shipyard, a reduction in capacity through radical rearrangements in each establishment "up to the level of the minimum operating under the best possible conditions of efficiency and productivity", and the merger of all the group's companies into one.<sup>88</sup> The pressures of many people, including local politicians, did change company policies: in November 1984, the government removed the right to close shipyards from the Protocol on Maritime Activities. In 1985, under Fincantieri, funds were allocated for the renovation of Sestri and investment allowed an improvement in production. The arrival of two new cranes made it possible to build larger ships. At the end of the 1980s, in order to make the most of its capacity, the shipyard began to build so-called marine systems, such as the submersible platforms *Scarabeo 5* and the *Spirit of Columbus*, commissioned respectively by SACEM and SANA. The diversification of the shipyard's production was not enough to reassure all of the workers, because the arrival of the work was not immediate, and many workers were forced to undertake work far away from Sestri. This situation created a sense of injustice and even revenge against members of the other sites, as evidenced by Pippo Carrubba in one of his memoirs:

The Sestri Ponente shipyard will not close; it will make floating platforms (offshore) to extract oil from the sea and to convince us they had put a sheet in the basin. They spent months and months, but the same plate was always there and the majority of us [worked] away in Italy making huge sacrifices. Meanwhile, both Monfalcone and other shipyards

87 AIRI, FC, b. R1549, *Programma a fine 1983*, 6.

88 AIRI, FC, b. R1549, *Osservazioni al piano Fincantieri a fine 1983*.



inaugurated giant platforms without having struck for an hour. We – who had conquered that specialisation with hard struggles – we saw that others were doing our job.<sup>89</sup>

Meanwhile Fincantieri reorganised by divesting its division of ship repair yards, OARN of Genoa, Castellammare, Palermo, and Taranto. The divestment began with the closure of the yard in Taranto: in 1992, 390 OARN workers were transferred to the Sestri Ponente shipyard, which was able to absorb the excess through early retirement. In addition, the problem of asbestos and its related cancers led to a proportion of the workforce leaving Sestri. The enactment of Law 197 pushed the company, fearful of not being able to cope with the workload, to take on younger workers.

Meanwhile, within Fincantieri, Sestri, in tandem with the yards at Monfalcone and Marghera, concentrated on cruise-ship construction. Beforehand, in 1992, with the aim of privatising state assets the Italian government had published a White Paper on State Ownership, which defined the shipbuilding industry as a sector now “mature” and to be divested. This occurred in conjunction with the fruition of the new strategy of Fincantieri, which focused on cruise ships and had lifted the performance of the whole group, including Sestri. The yard first began the construction of mini cruise ships and ferries; then, with the orders of Costa Crociere, the shipyard positioned itself as a leader in cruise-ship construction. The predictions of continued prosperity after the millennium, moreover, were very optimistic. Cruise-ship construction was highly concentrated: there were only seven builders worldwide of vessels of more than 60,000 cgt. Therefore, as Fincantieri management noted, it was “a favourable competitive situation” which also highlighted the “excellent performance of ships built”.<sup>90</sup> The long-term plan of Fincantieri 2001-2004 provides interesting data on the cruise-ship market, in the hands of a small number of owners, often active in the entire sector of the tourism industry, including ships, hotels, and tourist agencies. However, the need for a cautious attitude was linked to the rise of oil prices and a slowdown in the US economy, factors that were causing a drop in the profitability of cruise-ship operators. Meanwhile, Fincantieri’s CEO, Pierfrancesco Guarguaglini, was replaced by Giuseppe Bono, who launched a plan to privatise the company. The mobilisation of trade union antagonism to this plan lasted from the autumn of 2005 to the end of 2007, and eventually led to its withdrawal and the abandonment of privatisation

89 Carrubba, *Lettere dalla fabbrica*, 85.

90 AIRI, FC, b. R1569, *Piano Poliennale 2001-2004*.



of shipbuilding by the centre-left government of Romano Prodi. Production at Sestri continued, but in September 2010 Fincantieri presented a draft plan that provided for a reduction of 2,500 jobs and the closure or semi-closure of three sites at Sestri Ponente, Riva Trigoso, and Castellammare di Stabia. As in the 1980s, though in lesser forms, the protest against this plan had spread from Sestri to the rest of Genoa. Its distinguishing features were the types of action, with the blocking of the motorway and the airport, citizens' marches, and the solidarity of the local population. There were also protests in the yards "saved" by the plan, such as Palermo. In Sestri at that time, the workers were building two cruise ships and an Indian military ship. A first strike, of two hours' duration, resulted in the temporary occupation of the site and in a short march. In May 2011, a strike involved the three threatened shipyards in Sestri Ponente, Riva Trigoso, and Castellammare di Stabia. The restructuring plan presented by CEO Bono confirmed the cutting of 2,550 jobs, the closure of Sestri and Castellammare, and the reduction of the workload of the shipyard in Riva Trigoso, leading to its closure. A series of agreements between the company and unions – 21 December 2011, 15 February 2012, and 5 April 2013 – reached a temporary solution: the shipyard in Sestri was saved (as were Castellammare and Riva Trigoso), and the company reduced redundancies at Sestri from 330 to 180.<sup>91</sup>

The turnaround in Fincantieri's fortunes was largely achieved with the aid of various subsidies and by reducing labour costs reached through simplification of the production process by computerisation of design and planning and the introduction of flexible work organisation on the so-called Fincantieri model. This was based exclusively on the use of direct employees in the construction of the hull and on on-site outsourcing for ship assembly operations by sub-contractors. The Fincantieri model led to the coexistence, in the same shipyard, of working conditions that were very different but interdependent, resulting in an overall worsening of working conditions for the entire labour force. In the sub-contracting system, there is marked racial division in the workplace; the prevalence of undeclared work to avoid taxation; lack of unionisation and lax health and safety standards; an extension of working hours up to 10-12 hours per day; and lowering wage levels through piecework and "global" pay.<sup>92</sup>

91 Press releases issued by the unions related to negotiations were circulated and commented on by many media outlets. See for example <http://www.informare.it/news/gennews/2013/20130567-lavoratori-FincantieriSestriPonente-hanno-detto-si-accordo-sindacale.asp> (accessed 10 May 2014).

92 On the abuse of sub-contract workers and on wage reductions obtained using "global pay" in Italian shipyards and particularly at Sestri, see *Rassegna sindacale*, 22 June 2004; *Il Fatto Quotidiano*, 17 March 2012; the journalistic inquiry by the television programme "Report"

## The future of Sestri Ponente?

Since the advent of Fincantieri's move towards cruise-ship construction, competition in this sector has intensified with companies such as Mitsubishi of Japan and Meyer Werft of Papenburg, Germany, achieving large market shares. Fincantieri responded in part by diversifying into off-shore construction while continuing to build warships and cruise ships and undertaking ship repair and conversion. In January 2013, Fincantieri, with its head office in Trieste, had almost 20,000 employees worldwide (8,400 in Italy) and twenty-one shipyards on three continents. That month, Fincantieri completed its acquisition of the financially troubled Korean-owned STX OSV – a company listed on the Singapore Stock Exchange and now renamed VARD. As a result, Fincantieri doubled its size and is now the fifth-largest shipbuilder in the world, after four South Korean shipbuilding companies.<sup>93</sup>

The present position at Sestri remains ever vulnerable to competitive pressures. Its direct workforce has been drastically reduced with a greater than ever reliance on sub-contract labour now being the norm. At present the yard is in the process of completing an order of 13 July 2013 by Royal Seven Seas Cruises of a 54,000-grt cruise ship to be named *Seven Seas Explorer*, due for delivery in the summer of 2016.

on *Fuori bordo* (1 April 2012) by G. Boursier (<http://www.report.rai.it/dl/Report/puntata/ContentItem-ee826574-458d-4616-b1a2165f0804e857.html>, accessed 5 May 2014); interviews with Diego Delzotto, Giulio Troccoli and Bruno Manganaro (21 November 2012); and with Camillo Costanzo and Vincenzo Alicinio (22 November 2012). Global pay is a legal expedient utilised by sub-contractors to avoid paying social and pension contributions. Payment, in fact, is determined on the basis of individual bargaining in which workers are obliged to monetise all their social rights: payment of social security and insurance contributions for the hours of work not covered by the contract, severance pay, the thirteenth month's salary, overtime. It is lower than a wage calculated on the basis of a collective agreement.

<sup>93</sup> Fincantieri's merchant-ship division comprises yards at Monfalcone, Marghera, Sestri Ponente, Ancona, and Castellammare. Its warship capacity is located at Riva Trigoso (Genoa), Muggiano (La Spezia), and Marinette Marine, Bay Shipbuilding, and ACE Marine, the last three located in Wisconsin, USA. Ship repair and conversion are undertaken at Palermo, Trieste, and La Spezia, and offshore work at Trieste, Sestri Ponente, Palermo, and Ancona. VARD comprises two yards in Brazil, Niteroi and Promar; five yards in Norway at Aukra, Langsten, Brattvaag, Brevik, and Soviknes; two yards in Romania at Braila and Tulcea; and one yard in Vietnam at Vung Tao. The sale by STX in January 2013 did not include its St Nazaire shipyard, which is partly owned by the French government. Fincantieri publicises the current organisation of the company as: "Working together as one large, flexible shipyard" ([http://www.fincantieri.it/cms\\_display/pagina\\_sedi.aspx](http://www.fincantieri.it/cms_display/pagina_sedi.aspx), accessed 12 May 2014).

