

## **The Working Class Struggle Against The Crisis: Self-reduction of Prices In Italy**

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With an inflation rate of over 25%, widespread unemployment, and increasing repression, Italy's current economic crisis shows how far capital is willing to push its attack against the living conditions of the working class.

One of the distinct marks of this crisis—in Italy as well as in other capitalist countries—is the extent to which class conflict has widened, involving directly the area of social consumption. The dramatic increase in the cost of living is in fact setting off a wave of struggles dictated by the working class need to protect their wage gains, and to ensure adequate access to essential goods and services such as food, housing, utilities and transportation. It is no coincidence that—particularly in Italy—capital's massive move onto this terrain comes after a long cycle of factory struggles which have yielded considerable gains in wages and working conditions. It shows the coherence of capitalist strategy—a coherence which has been forced to become explicit by the organized resistance of wide sectors of the working class.

The practice of “self-reduction”—i.e. the refusal to comply with price increases of essential services—is the answer that has emerged from this terrain of struggle. The character of this struggle raises important political questions both for capital and the working class. How can this struggle be mediated and brought under control? To what extent does the brunt of this struggle fall primarily on one sector of the working class—i.e. housewives, as the central protagonists in the area of social consumption?

Self-reduction is not an entirely new phenomenon in Italy. For instance, at Magliana, one of Rome's largest working class districts, some 2,000 families have been practicing self-reduction for the past two years, cutting their monthly rent payment by 50%. And this is by no means an isolated case. What is new is the way in which this practice has spread to other sectors of essential social consumption, such as public transit, electricity, and home heating.

When viewed in the context of parallel practices—such as squatting and organized mass appropriation of groceries from supermarkets—this struggle becomes more than merely a defensive one. It becomes—as some militants have called it—a *struggle for the re-appropriation of social wealth produced by the working class but unpaid by capital.*

### **Explosion of Self-Reduction Struggles**

When on a Monday in August 1974, hundreds of commuting workers found out that their bus fare from Pinerolo to Turin had been increased by almost 30%, few people would have predicted that such a relatively insignificant event could provide the spark for a new wave of struggles. To those commuters, the fare increase—decided by the bus line during the two-week summer shutdowns—sounded like an act of cowardly provocation. It took only a few days to organize some action and mobilize the commuters travelling on the bus line. The following Monday, the plan of action was ready. Workers set up tables near the bus terminal with signs all around saying, “Refuse the fare increase!”. But more importantly, they issued substitute weekly bus tickets, selling them at the old price (tickets are normally bought by commuting workers on Mondays, and entitled them to one week’s travel). The bus company responded by shutting down its operation, so hundreds of workers that morning did not go to work, and continued their mobilization. In the afternoon, they sent a delegation to the Regional Bureau of Transportation to demand that the old fares be reinstated, and that in the meantime the substitute bus tickets be accepted. After a few days of pressure, the Bureau ordered a suspension of the fare increase.

The spark had caught fire. Within a few days, similar events were occurring throughout the heavily industrialized region around Turin. On September 17, the Regional Authorities issued new guidelines for inter-urban transportation fares applicable to the 106 private bus lines operating in the region—guidelines which substantially reduced the increases already enacted or proposed by the bus lines.

The first round of self-reduction struggles had yielded its fruits. The practice however was quickly spreading to other regions of Italy, disseminating chaos in municipal and regional governments and in the trade union bureaucracies. By the end of September, the media networks were hysterically condemning this outbreak of “civil disobedience”, and the Italian Communist Party was solemnly reminding workers that the only valid method of struggle is the strike.

The next logical step for the workers was to apply this form of struggle to other areas of social consumption. The electricity bill figures high in

the budget of most working class households, and it is to this item that the struggle suddenly turned. One could hardly think of a more politically explosive choice. For one thing, the electricity industry in Italy is nationalized, and adopts rates which are applied throughout the whole country. The State would therefore become the direct target in a struggle whose potential for generalization among the working class would be enormous. Moreover, popular sentiment against the State-controlled electricity corporation (ENEL) was at a high point because of recent increases in electricity rates at a time when the corporation had been caught in a scandal involving the financing of political parties. ENEL's policy of granting reduced rates to industry as a form of subsidy (roughly 25% compared to domestic rates) also added fuel to the fire, as it is viewed by many as a blatant act of discrimination.

The initiative came again from the heavily industrialized areas of Turin and Milan. The initial support given by local trade union officials, or local trade union bodies (e.g. the Turin Labour Council) was very instrumental in facilitating the mobilization of workers in factories. It made it possible to utilize the organizational apparatus of the inplant workers' councils for this purpose, especially once the councils' executives had expressed their support of the struggle. In most cases, the mobilization involved setting up "self-reduction committees" whose task was to collect workers' electricity bills and issue substitute bills, often bearing the stamp of the unions. Workers would then enter the new amount, usually a 50% reduction, and then pay the bill.

The mobilization, however, was not confined to the factories. As this practice spread throughout Italy, self-reduction committees sprang up in urban neighborhoods as well as in small rural towns. In some of the large urban districts, the setting up of these committees was facilitated by the prior existence of neighborhood committees with a long history of community struggles. Most of these committees are made up of delegates from each block or apartment building, whose task is to mobilize their neighbours, coordinate the activities of various buildings, and make links with nearby neighborhoods and factories. The support given by ENEL workers, who often refused to enforce the company's orders to disconnect electricity, was also an important factor contributing to the success of the struggle. Through this combination of factory and neighborhood mobilizations, by the end of December, tens of thousands of electricity bills had been collected in every major Italian city. Turin was at the head, with about 140,000 bills collected.

## Housewives—Protagonists of the Struggle Against More Housework

To a large extent, the political significance of this wave of struggles lies in the territorial link up it is providing between factories and neighborhoods. As a worker from Naples explained: "In Naples in the past we have had experiences of self-reduction of water bills, gas bills, and electricity bills; but they have always been restricted to some building or some neighborhood, and have never caught on in the factories or in the unions. But today the situation is quite different, and offers a great political potential". (*Lotta Continua*, Oct. 4/74)

It is however in the neighborhoods that this mobilization is having its most dramatic effect, because it is often interwoven with other struggles such as squatting and self-reduction of rents. Moreover, despite the fact that often factory workers have been the spearhead of the mobilization, it is ultimately at the level of the neighborhood that the brunt of the struggle has been borne. This is where people have to face ENEL officials who come to either collect the bills or to disconnect the electricity. And this is where they often have to confront the police and the fascist groups who are sent to disrupt the process of mobilization. It is this dimension of the struggle which has shown the crucial role of housewives as central protagonists. Their role stems also from other considerations. If there is one item of productive consumption which falls squarely within the work of housewives, it is electricity. The increase in electricity rates amounts in effect either to a speed-up imposed by the State on housewives, as it forces them to perform the same amount of housework (cooking, washing, ironing, cleaning, etc.) in a shorter time, or to extending their working day by forcing them to do more work by hand.

It is obvious that capital's attack at the level of productive consumption stems from its difficulties in halting the wage increases that workers have won in the factories. Although this attack is directed against the working class as a whole, it tries to exploit the division of labour (factory waged labour vs. domestic unwaged labour) on which capitalism rests, by hitting a weaker sector of the class—i.e. by squeezing more unpaid labour from housewives. To see the central role of housewives in this wave of self-reduction struggles as merely a show of solidarity toward factory struggles would be clouding a very important process with empty leftist rhetoric.

The role of housewives as central protagonists can only be understood by the fact that their material conditions of work are the immediate target of capital's attack, and hence, that this struggle is in a very important sense *their* struggle against *their* increased exploitation. Only

after this point has been made clear can one talk of solidarity.

In this light, the struggle to reduce substantially the monetary cost of a family's productive consumption has become very crucial for the survival of many working class households. This is particularly true in many large urban neighborhoods, such as in Rome and Naples, where people make their living through marginal occupations (petty trade, black marketing, prostitution, etc.). The fact that in most of these cases the wage relation between capital and the male breadwinner is either non-existent or highly unstable has produced a dynamic which escapes the trade unions' mediating mechanisms. This explains why in these cases the self-reduction practice has exhibited a higher degree of autonomy both in its direction and content, allowing housewives to exercise the leadership which the terrain of these struggles confers on them. It is important to note, for instance, that in many neighborhoods the slogan was not "50% reduction" (the directive given by union officials in factory mobilizations) but rather, "Let's pay the rates the bosses are charged", which means a reduction of more than 75%.

### **The Trade Unions' Management of the Self-Reduction Struggles**

The contrast between factory mobilizations and neighborhood mobilizations can be better grasped when one looks at the strategy pursued by the unions in order to control and channel the self-reduction struggles—a strategy which is reminiscent of their role in the 1969 wave of factory struggles.

The initial outbreak of self-reduction struggles and the workers' use of the workers' councils (most of which are union-controlled) forced union officials to take a position. Similarly, in many large working class neighborhoods, the Communist Party was confronted with the situation of many party militants joining the self-reduction struggles and often even using the local party sections to help the mobilization. But while the CP leadership did not take long to condemn this practice, calling it "divisive" and a "provocation" by a few ultra-leftist groups, the situation was much more complex for the trade union leadership.

There is no question that the role played by some local trade union officials—many of whom are members of various Marxist organizations (e.g. PDUP-Manifesto)—was very instrumental in gaining the support of local trade union bodies, especially in the Turin and Milan areas. But for many other union officials, the outbreak of self-reduction struggles was viewed in the context of the increasing dissatisfaction among workers with the unions' obstructionism in the development of a

broad mobilization against the rising cost of living. This was clearly expressed by the secretary of the Turin Labour Council: "What is at stake here is our relationship with the people; what is being questioned is our ability to build an alternative. In these last months, the credibility of the unions has hit a low ebb . . . [in order to regain it], it is not enough to demand 50,000 or 100,000 liras for the workers, we must instead come up with alternative political solutions." (*l'Espresso*).

When this "alternative solution" started rolling, it was again the old time Italian trade union politics. While the lower level union leadership in the main supported this new wave of militancy—being directly confronted by this upsurge of struggles—the national leadership was buying time, avoiding a clear-cut position. This posture was largely dictated by the necessity to maintain the shaky balance of alliances among the three national union federations, which has repeatedly been threatened by the "ungovernability" of the working class, and consequently by the state of crisis in which all political parties are enmeshed.

The wait-and-see strategy began to pay off when the Rumor Government resigned in early October, setting off a long governmental crisis which lasted through the rest of the month. The absence of a cabinet at a time when the self-reduction movement was quickly spreading throughout the country undoubtedly had the effect of dramatizing the impact of this wave of struggles. It also contributed to giving the unions—the only institution which could conceivably control and manage the upsurge—the leverage necessary to influence the formation of the new government. In the political formula which enabled the new Moro Government to take power at the end of October, one essential ingredient was the support given by the unions—on the condition that the new government would commit itself to a national re-negotiation of cost of living allowances. A further condition was a revised schedule of electricity rates. From now on, the autonomous, rank-and-file controlled development of the self-reduction struggles had to be stopped. The logics of class mediation and the unions' credibility vis-a-vis the government demanded it.

During the long period of negotiations between the Government and the three national union federations—culminating in the agreement at the end of December—the impact of the unions' new policy vis-a-vis the self-reduction movement became evident in the factories. The overwhelming majority of workers' councils executives ordered a stop to the mobilization. This meant that workers who wanted to continue the struggle had to do so in opposition to these union bodies. The confrontation was often fierce, showing the extent to which the unions cared more about their credibility with the government than with the workers.

At the Alfa Sud auto plant near Naples, for instance, the target of 2,500 reduced electricity bills was reached by bypassing the workers' council. At the Italsider steel plant in Bagnoli, several workers' council executive members were forced to resign by workers because of their opposition to the mobilization.

Despite these and other successes scored by autonomous rank-and-file forces in several factories throughout Italy, it was clear that the self-reduction mobilization at the factory level had been severely affected by the imperatives of trade union politics. To a large extent, therefore, the continuing of the struggle lay with the neighborhood mobilizations, where the mediation of the unions was proving unworkable, and where there was a basis to resist and counter the direct repressive attacks by the State.

The new agreement over a national COLA package, which includes revised electricity rates, has marked a significant step forward in the process of the unions' integration into the capitalist state apparatus. The extension of their bargaining functions into the politically explosive area of essential consumption makes the unions a crucial partner in capitalist planning in this area. Not only do the unions co-manage the determination of wages and their distribution, *they also co-manage the way wages are used in the area of social consumption.*

In retrospect, the unions' course of action had other significant implications in terms of the dynamics of the struggle. Their involvement had the function of separating the initial autonomous links between factory and neighborhood mobilizations, and then of attempting to impose a new link "from above" by co-managing along with the State the new electricity rates and their acceptance. This illustrates clearly the crucial political importance of the unions in the context of Italy's economic and political crisis: they are the only institution that can mediate between the worker as wage earner and the worker as consumer of essential goods and services, and thereby continue to conceal the exploitation of unwaged workers—above all, housewives.

### **The Future of Self-Reduction Struggles**

The agreement, however, has merely closed a chapter of this struggle. It has not put an end to the self-reduction practice which, particularly in neighborhoods, has continued practically unaffected by the trade union-Government politics. Nor has the mobilization in the factories been brought to a complete halt. Recent months have witnessed a revival of the struggle in an increasing number of factories. A motion to support the struggle of the self-reduction of electricity bills was ap-

proved at a special meeting of 1,000 workers' delegates in Milan recently, indicating the degree of resistance the unions may still encounter among workers. In part this new upsurge stems from the workers' reaction to the new electricity rates, which became effective in January. The new rates are based on a graduated system, depending on the level of consumption of each household. In effect, for a typical working class family, the new rates mean an increase of 33%.

Many feel this increase is certainly worth the struggle; particularly the millions of housewives for whom a forced reduction in the consumption of electricity means more work, with housework normally done with electrical appliances now being done by hand.

If the present policy of Italian capital is to reduce levels of consumption in order to patch up the current economic crisis, it has become clear to what extent the burden of this political operation falls on the shoulders of housewives. It makes it possible to squeeze from them a huge new amount of unpaid labour without serious inflationary consequences.

The present Italian crisis has shown with unusual sharpness the importance of the home as a unit of production, and housewives as protagonists of the struggle against capitalist planning in this sphere.

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