

their membership led the unions to capitulate and sign an agreement with the company in exchange for a few token concessions.

7. *The Decline of an Industrial Capital: Turin since 1980.*

The victory of Fiat in the fall of 1980 marked a major turning point in the history of Italian industrial-labor relations. In its aftermath, the balance of power shifted decisively against the industrial workers who gradually lost most of the gains of the previous decade. More importantly, the years between 1981 and 1991 saw a dramatic reduction in the number of jobs in large-scale industry as Italian firms shifted their production abroad to areas with lower labor costs. These developments had major consequences for the Piedmontese capital. The metropolitan area of Turin lost some 90,000 industrial jobs during the decade. As usual, Fiat led the way, investing heavily in robotics, cutting its local workforce in half, and moving its investments and productive activities abroad in these years. By the early 1990s, there were high rates of unemployment in the city, while per capita income had fallen in relation to other cities in the country. With the disappearance of so many jobs in the huge factories, the city began to lose population. From a peak of nearly 1.4 million in the 1970s, it had fallen to 900,000 by the late 1990s. As the end of the century approached, the militant industrial working class that had once been a central protagonist in the social and political life of the city and the nation was little more than a distant and fading memory.

For the management of Fiat, on the other hand, the 1980s represented an "Indian Summer" of renewed expansion and prosperity. During the decade, a strategy of diversification consolidated Fiat's status as Italy's largest industrial group with interests in a wide array of sectors from newspapers and telecommunications to insurance, investment banking, and tourism. In the mid-1980s, the Fiat group controlled nearly a quarter of the Italian stock market through several hundred subsidiaries and associated companies. Drastic restructuring of its operations, massive government aid, and the success of a new model, the "Uno", allowed Fiat's automotive division to be relatively competitive in European markets, while preserving its largely protected domestic market in the second half of the decade.

This recovery proved, however, to be short-lived. The defeat of the unions in 1980 created the dangerous illusion in the ranks of senior management that all their problems had been resolved. Moreover, the shift of the Fiat group under the leadership of Romiti in the 1980s from a fo-