

cus on industrial production to financial operations came at the expense of technological innovation. As a smaller company than the other major international auto makers, Fiat lost its competitive advantages in the early 1990s when Italy opened to the rest of Europe and the world. The firm's share of the domestic market, which had once stood at 60%, fell steadily during the decade to a low of 20% in the early 2000s. During the same period, Fiat's export market in Europe shriveled by 50%, while its investments in the emerging markets of Poland, Turkey, Brazil, and Argentina failed to live up to expectations. To make matters worse, Fiat failed to build an international alliance comparable to those of Renault and Nissan or Daimler and Chrysler. By 2002, inadequate models, falling sales, heavy debts, lagging technology, and plummeting share values raised fears that Fiat might abandon car production altogether. Above all, the crisis of the automotive giant signified the end of an era when Italian industry rested upon the Fordist model of great entrepreneurial families, gigantic factories, and mass production.

The decline of Fiat, the pillar of Turin's economy and of its identity as the industrial capital of Italy, has had a major impact on the metropolitan area and its residents in recent years. The automotive giant, which had once provided employment for 140,000 people, now provided jobs for barely 30,000. And even those who still had jobs often found themselves out of work in 2005, since the company's factories were closed periodically, sometimes for a number of weeks, because of the lack of demand for cars. The vast network of fifty-nine local suppliers, who had long relied on Fiat for most of their business, have faced enormous challenges, since they often lacked technology, capital, and marketing experience to compete for alternative customers. As a consequence, they too have had to cut staffs, laying off or furloughing half of their 15,600 workers and thereby swelling the ranks of the unemployed in the city. As jobs disappeared, the city's population continued to shrink, dropping to 860,000 by 2003. Not surprisingly, a recent public opinion survey by *La Stampa* found that more than half of those surveyed ranked finding employment as their greatest concern, while 48% thought that the economic situation of their families was worsening. A new wave of clandestine immigrants from the Balkans and North Africa has further added to the tensions and fears occasioned by Fiat's retreat from the city. Concentrated in decaying ghettos between Porta Nuova and Porta Palazzo, these ethnically and culturally distinctive communities became associated in the public mind with a perceived upsurge in crime, prostitution, and drug-dealing, which became major political issues during the 1990s.