

# Fiat And Chrysler Workers Join Global Union Network

Colleen Barry, AP Business Writer

MILAN (AP) — As the Fiat and Chrysler automakers go global, so do their unions.

Fiat and Chrysler unions worldwide this week agreed to join in a global network aimed at a constant flow of information and defining a common strategy. The unions said they may try to replicate a worldwide framework agreement for minimum union rights that exists at Volkswagen, Psa-Peugeot and Renault.

"The network is a signal to Fiat that the unions are united," Enzo Masini, auto coordinator at the Fiom union, said in a statement. "A global company requires a global union."

Their first common act will be a letter to Fiat and Chrysler CEO Sergio Marchionne asking for recognition.

The international network potentially could give workers leverage in national contract negotiations, and a voice in how the two automakers eventually merge. But it could just as well work in management's favor, analysts said Friday.

"It can give unions in Italy a better understanding of the sacrifices made to save Chrysler," said Michel Martone, an industrial law professor at Rome's LUISS University.

Italian unions have clashed over Fiat management's insistence on more flexible work rules in exchange for plant-by-plant commitments to install new lines for future models. Marchionne has pledged to double production in Italy by 2014, part of his plans to create an automaker capable of making 6 million cars a year — a threshold he insists is critical to survival in the shifting automotive landscape.

Despite resistance by Fiom in particular, the new rules have been approved by workers in two plants who otherwise faced a possible closure and the loss of jobs as an alternative.

By contrast, Chrysler workers facing the real possibility that Detroit's No. 3 automaker could fail gave up cost-of-living pay raises, accepted lower wages for new hires and agreed to take on retiree health care costs in exchange for company stock and some cash.

The United Auto Workers Union health care trust now holds about a 41 percent stake in Chrysler.

Unions outside of the United States have much to gain from the new network

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Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

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because they would have direct access to information made available to the United Autoworkers' Union as a shareholder, said Pierluigi Bellini, a Milan-based auto analyst for IHS Automotive.

"They will have much more information than a union gets from Fiat," Bellini said.

But he said he didn't expect the network to have "a big impact in the end." That's because national contracts generally reflect local economic realities, and also because Fiat remains the biggest single shareholder in Chrysler with a 52-percent share, which is expected to grow to 57 by the end of the year.

"They can make their points. Then it will be valued like other shareholders. The majority still belongs to Fiat," Bellini said.

The global union network was decided in meetings this week in the northern city of Turin, where Fiat is based. Union representatives from Fiat and Chrysler in France, Germany, Spain, Poland the Czech Republic, Serbia and the United States attended. Union members from South America and Canada were absent, but will be included in the network, the unions said in a statement.

Fiat took over Chrysler two years ago in exchange for new engine and small-car technology and management know-how. Marchionne has focused on integrating the two complementary automakers — Fiat specializes in small cars, which it will bring to the United States, while Chrysler's forte are larger models that are being integrated into the Fiat lineup. Fiat has not yet said whether the two will merge outright — a vexing issue.

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*AP auto writer Tom Krisher contributed from Detroit.*

**Source URL (retrieved on 07/24/2014 - 9:36pm):**

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