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On the proposed 2005 Budget

Statement by the FdCA on the proposed 2005 Budget.

Federazione dei Comunisti Anarchici

30 October 2005

Are we so sure that Italy is in crisis? The latest official figures on orders and sales in industry indicate increases of, respectively, 11.1% and 12.9% in August 2005 compared to August 2004. Foreign demand is growing at a rate of over 15% while demand at home is up by 9.4% on sales and 11.4% on orders.

Yet the 2005 Budget provides for a reduction of labour costs of €1 bn for companies and the Minister of Labour and Social Policy, Maroni, has even gone so far as to forecast an extra €2 bn remaining in the hands of industry.

In the meantime, the engineering workers' contract renewal is blocked on an offer by the employers' federation of an extra €65 a month, though it is this very sector (+30.9%) which is leading the recovery.

Changing the subject for a moment, €6.5 bn would be needed to finance a wage increase for State workers, but that is also exactly how much is needed by the government in order to balance the books and bring debt to 4.3% of GDP. So, of course, it is the public sector which will see the brunt of cuts:

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- €1 bn less for the renewal of 2- and 4-year contracts and nearly 300,000 precarious workers
- 40% less than 2003 for short-term work contracts
- 10% less for overtime.

In other words, an all-out attack on direct wages.

As far as services are concerned, more cuts:

- €3 bn less for local government agencies,
- €2.5 bn less for the health service.

In other words, an all-out attack on indirect wages. Add to that the pension funds rip-off, a black hole which drains €13 bn of our deferred wages.

The Chambers of Commerce union has predicted a rise of 1.5% in GDP for 2006 and 2007 and of 1.7% for 2008: this means that Italy's workers will continue to produce wealth but that our pay will not guarantee us a decent living. Unless we launch a war to defend our wages.

The CGIL, CISL and UIL (orphans of Montezemolo's Confindustria which is now benevolently neutral towards the Berlusconi government) are limiting themselves to asking for a tax reduction on incomes as a response to the Budget, whether it be greater resources to ease the tax burden (CGIL), higher tax allowances for families (CISL) or tax-free wage increases (UIL). The general strike called for 25 November by the three unions is far from aggressive and is, more than anything else, marked by an embarrassing alliance with Minister Maroni on the closed pension funds, and therefore against the open pension funds that Berlusconi and in the insurance companies are demanding.

The long series of mobilizations which began with the engineering workers' struggles and the significant united strike by

the grassroots unions on 21 October, must involve all sectors and grow into an all-out battle:

- to put a halt to the business of pension funds and the theft of the TFR
- for wage increases, not linked to productivity or flexibility
- for public services useful to all, and against privatizations
- for the elimination of Law 30 from all contracts and the stabilization of precarious workers
- for the growth of a workers' movement which can free itself from the union bureaucracies and organize from below, federating and radicalizing the struggles and restoring the organized workers' power to themselves.