

HYPE webinar: *Deindustrialization, employees' agency, and the just transition*  
The Open University Business School  
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## Resisting relocation by demanding a just transition: the case of the reindustrialisation plan of the GKN factory in Florence

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## Outline of the presentation

1. The context: where, when, what, why
2. The struggle in two phases
3. GKN-economics: GVCs, (Italian) automotive and deindustrialization
4. The Plan(s) for reindustrializing the factory: from automotive to sustainable mobility
5. GKN Florence as an example of “radical industrial democracy”
6. Trade union action and representation at GKN Florence
7. Workers’ mobilisation and the *convergence* strategy
8. Where we stand now: workers’ buyout in the absence of industrial policy



GKN Driveline Firenze



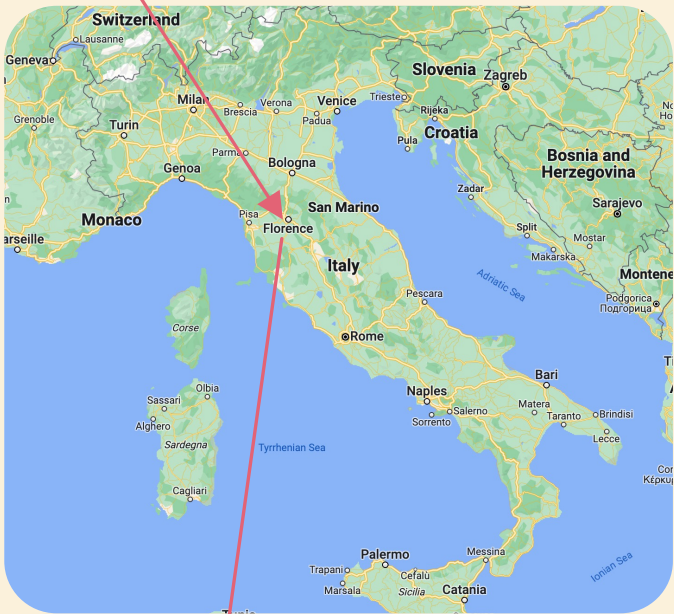
*A plan for the future of the Florence plant: from the former GKN towards the socially integrated factory,*  
Fondazione Feltrinelli, 2022





# 1. The context: where, when, what

GKN Driveline  
Campi Bisenzio, Florence

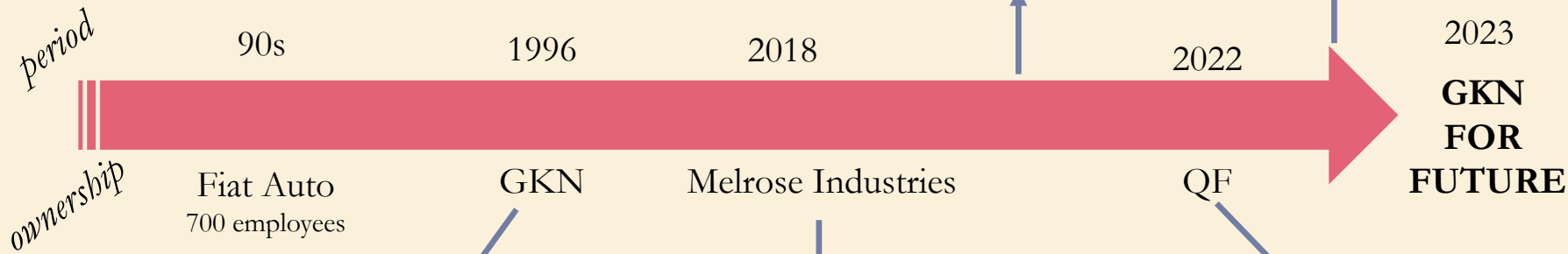
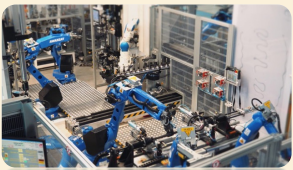


Producing half-shafts for automotive...



1922: Manufacture of other parts and accessories for motor vehicles (NACE Rev. 2)

...and automated cell (and machinery)



July 9, 2021:  
collective dismissal of 422 workers

March, 2023:  
QF liquidation procedure begins

GUEST, KEEN & NETTLEFOLDS. LTD.



**GKN** puts steel into shape

GUEST KEEN & NETTLEFOLDS (SOUTH WALES) LTD.,  
Castle Works, Cardiff • Telephone: Cardiff 23033 • Telegrams: Nettelfolds, Cardiff, Telex • Telex 49-395

GKN faces renewed fight with 'asset stripper' Melrose

Melrose victorious in hostile bid for GKN

Turnround specialist triumphs after investors back £79bn cash-and-shares bid

«...the UK's biggest contested bid since Kraft's assault on Cadbury in 2009 has sparked a public storm»

Financial Times, March 30 2018

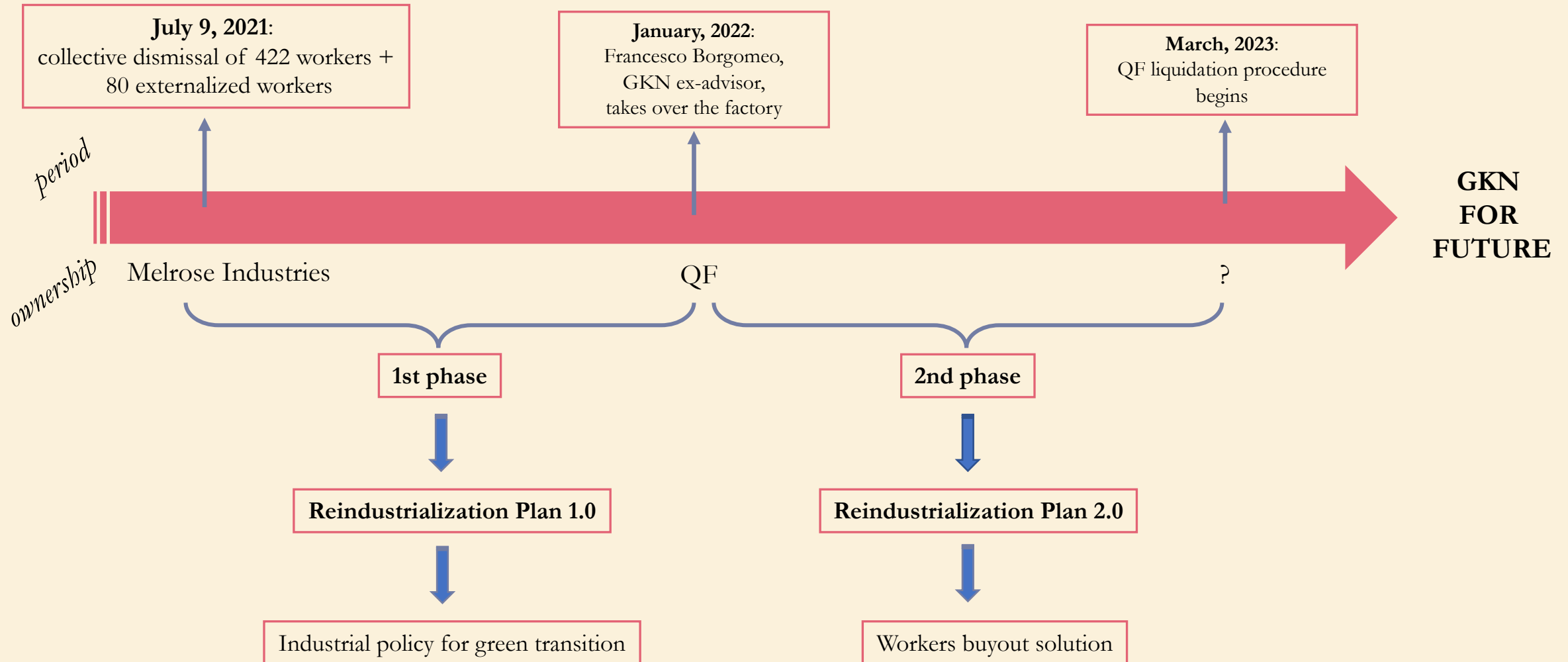
Melrose buys good manufacturing businesses with strong fundamentals whose performance can be improved.



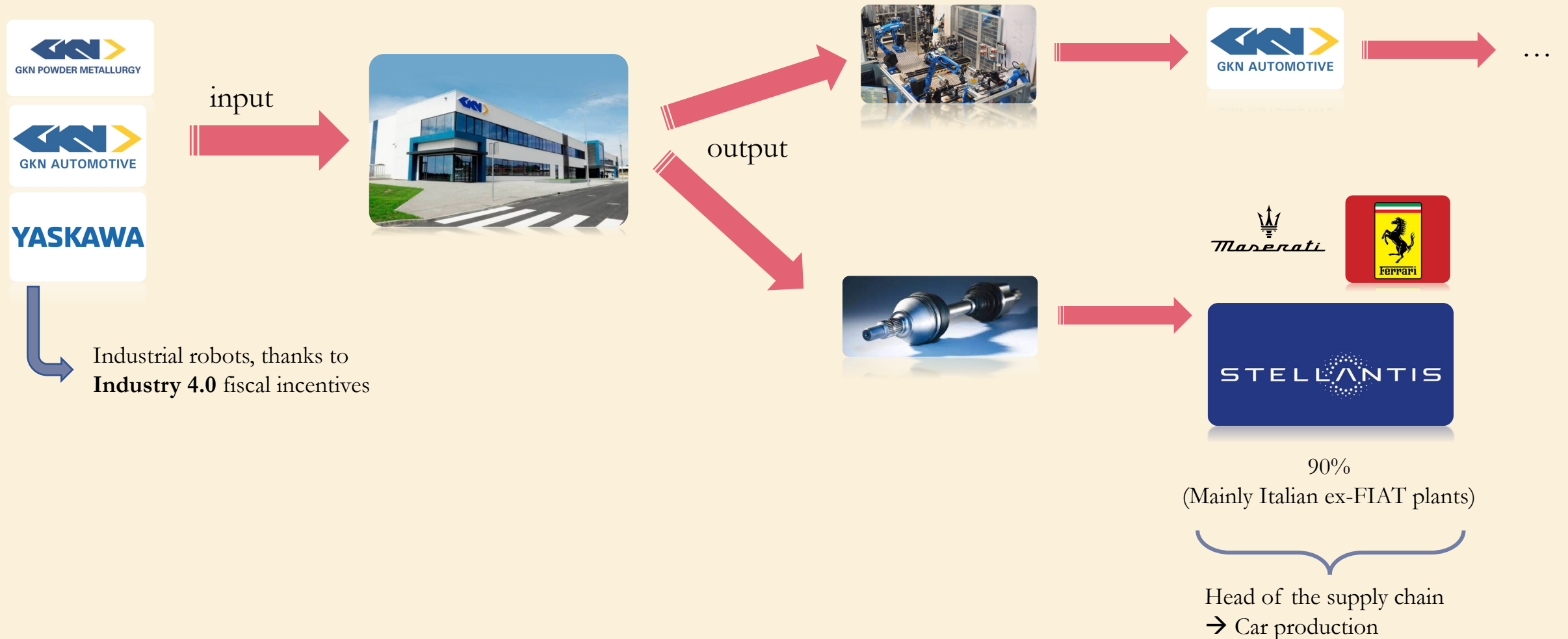
<https://www.melroseplc.net>



## 2. The struggle in two phases



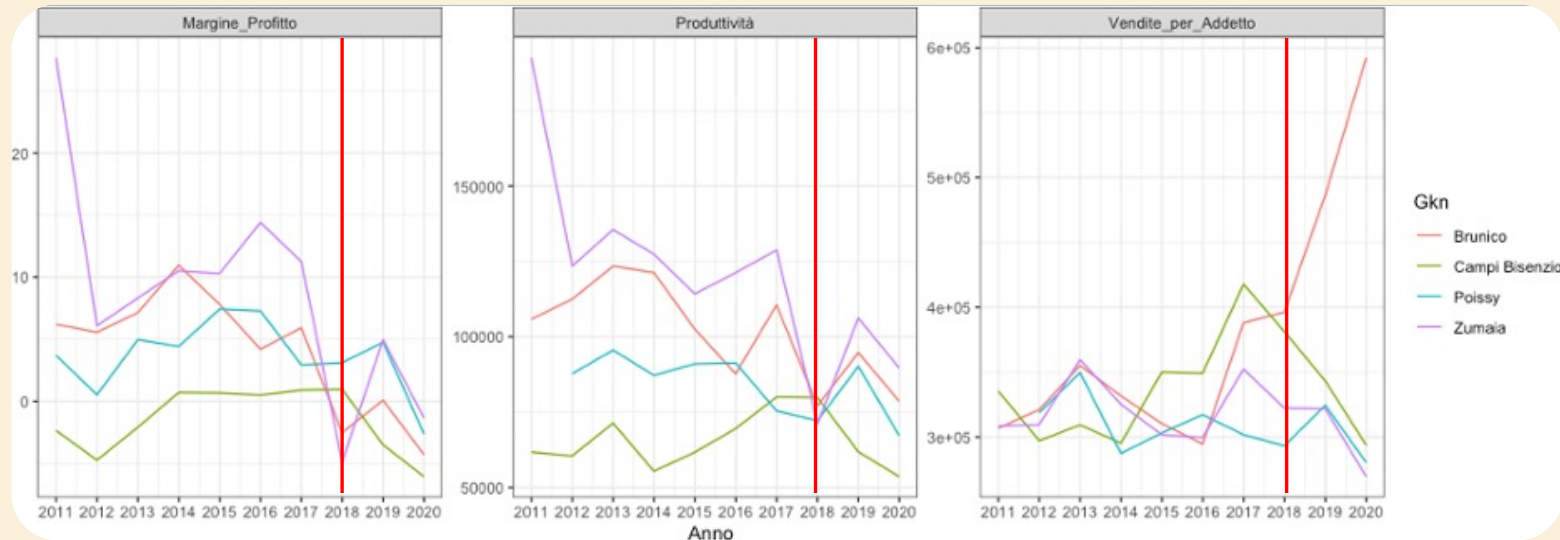
### 3. GKN-economics: GVCs





### 3. GKN-economics: why GKN Florence closed?

Comparison with other GKN Automotive of the same sub-sector 2932 and similar characteristics (e.g. #employees)



Profit margin, productivity, sales per employee, 2011-2020.  
Own elaboration on ORBIS IP data

**2018:**

- Global slowdown in automotive sector
- Melrose buys GKN

**And:**

- Declining efficiency due to “ineffective management interventions on production lines” (interviews with workers)

What about demand?

→ Ferrari sales (mn USD), 2011-2020.

Own elaboration on ORBIS IP data

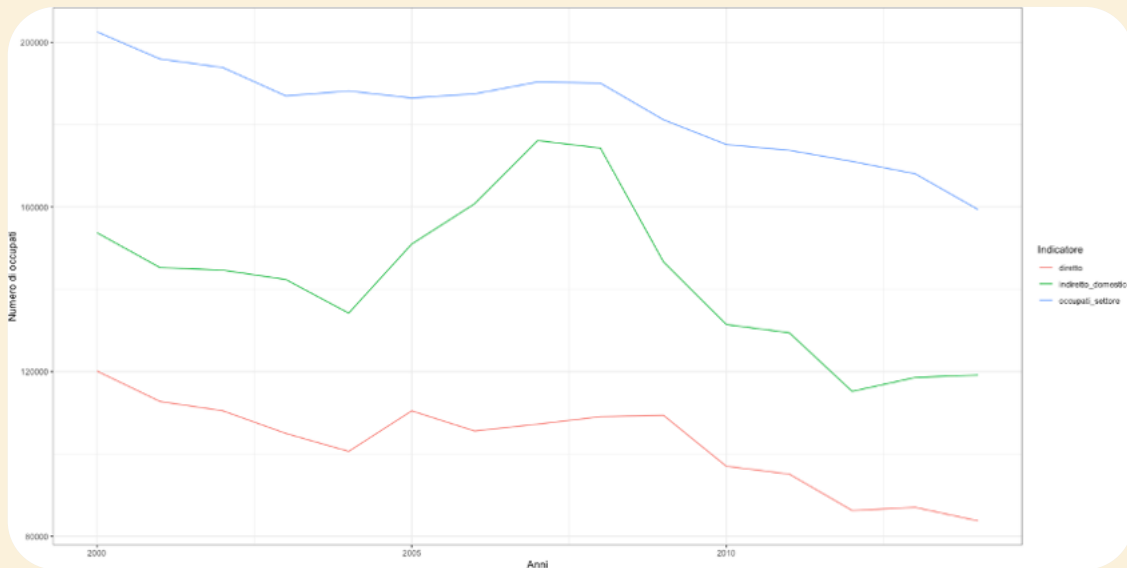


**Take-home message:**

- No peculiar structural weakness of GKN Florence
- No demand shock: half-shafts from Poland have been found in Italian FCA plants
- But... likely declining demand from FCA-Stellantis
- For sure: labour cost incentive to delocalize

### 3. GKN-economics: the decline of Italian automotive

- 2008-2017: cars production collapsed by 50% (now at half of productive capacity and structural use of unemployment subsidies)
- Unclear investments strategy for Stellantis in Italy + considerable offshoring trend
- Lack of Italian government voice in Stellantis: FCA entered as follower and Italy without ownership
  - No role for Italian government in influencing innovation trajectories, employment stability, ownership structure
  - We do not have a “plan for automotive sector”



Employment activation in Italian automotive 2000-2014.

Own elaboration on WIOD data.

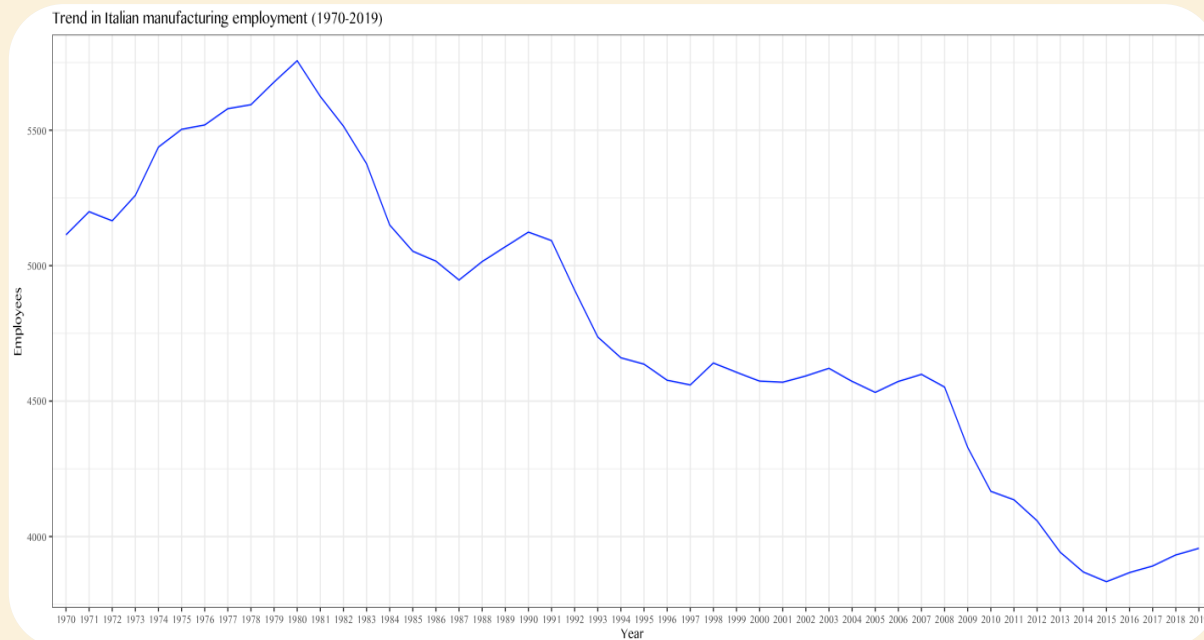
See more in Cresti and Virgillito (2022)

**Italian automotive and its employment generation capacity:**

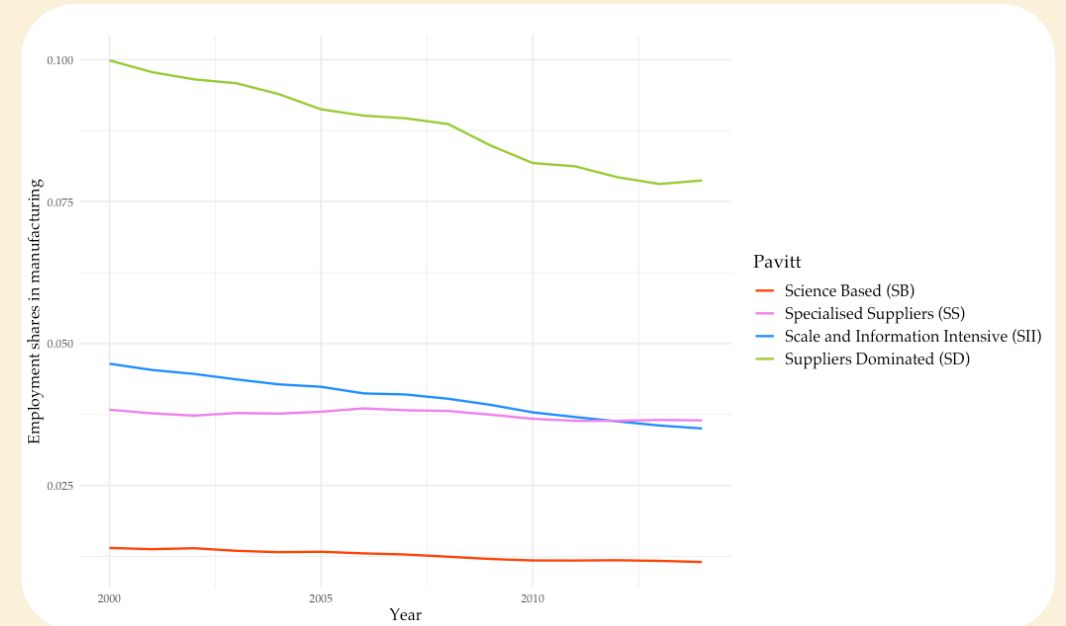
- Direct (within sector)
- Domestic Indirect (other Italian sectors)
- Foreign Indirect (abroad)

### 3. GKN-economics: (Italian) deindustrialization

- Manufacturing decline since 90s and amplified by the 2008 crisis
- “Privatization season” of the 90s: loss of national champions and public tools and assets to govern structural changes and industrial and technological development
- Context: absence of true industrial policy
  - Currently: Industry 4.0 → Transition 4.0 (Recovery Plan) → “resilience”, “competitiveness”, “incentives”
- Recovery Plan: no strategic investments, no missions, no idea of the future of Italian manufacturing production




Own elaboration on OECD-STAN data



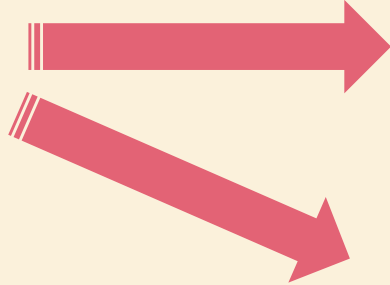
Source: Cresti and Virgillito (2023)





## 4. The Plan(s) for reindustrializing the factory: from automotive to sustainable mobility and energy transition

### 1) **Gradual reconversion:** toward the *public hub for sustainable mobility*



Shifting head of the chain:

From FCA-Stellantis to **Industria Italiana Autobus (IIA)** (Italian Bus Industry):

- saved by the State (*Invitalia* agency) in 2018 with *Leonardo* company (partially owned by the Italian government)
- 2018-2020: bus production increased from 35 to 287 units
- 2021: first electric bus presented
- 2023: IIA in crisis. Missing suppliers and strategic investments. But demand for bus is increasing year by year

### 2) **Radical reconversion:** hydrogen electrolyser and/or components for photovoltaic plants



- Funds for hydrogen valley from Recovery Plan
- Technology from Tuscan start-ups
- In line with Preliminary Guidelines of the National Hydrogen Strategy (2020)



## 4. The Plan(s) for reindustrializing the factory: from automotive to sustainable mobility and energy transition

### A new factory-university relationship:

- A proposal for a knowledge hub
- Training, test-and-trial, stage, education
- Enhancing workers' know-how
- Horizontal approach to technological change

### The actors:

- Invitalia: agency owned by the Ministry of Economy and Finance
  - Fondo Salvaguardia (fund established in 2020 to save companies in crisis)
- ARTES 4.0: Industry 4.0 Competence Center established in 2018 on *Advanced robotics and enabling digital technologies & systems 4.0*. Based in Tuscany, it has the mandate to promote technological upgrading of firms by connecting them with universities and research centres.
  - It participated in the construction and validation of our reconversion proposals



## 5. GKN Florence as an example of “radical industrial democracy”

### A form of “radical industrial democracy”?

The GKN Florence plant stands out almost as a unicum in the Italian industrial relations landscape, as it had in place, up to the closure and beyond, well-developed and historically embedded organisational practices of radical industrial democracy at workplace level, controlled autonomously by the workers, operating alongside the “institutional” channels of union voice and workplace representation.

### Limits to radical industrial democracy

- These practices do not come out of nowhere but are enabled by the presence of specific historical legacies. Hence, their “scalability” might be more difficult in contexts that do not share similar historical legacies.
- In the absence of broader structures of political representation that can amplify the radical demands that emerge from individual workplace disputes, the transformatory potential can only be limited.

### Radical industrial democracy and mobilisation

We argue that this form of radical industrial democracy contributed in crucial ways to augmenting different kinds of power resources - structural, associational and ideational - that the GKN workers deployed to achieve a long-lasting mobilisation in a moment of intense class conflict such as the threatened closure of the plant.





## 5. GKN Florence as an example of “radical industrial democracy”

### **Radical industrial democracy and workers’ structural power**

The presence of well-developed forms of workers’ representation on the shopfloor strengthened workers structural power by providing them with crucial knowledge and in-depth understanding about production processes which was leveraged during restructuring both to mobilise against and articulate counter-narratives, as well as to concretely disrupt managerial restructuring plans and devise alternative proposals.

### **Radical industrial democracy and workers’ associational power**

The presence of well-established grassroots autonomous organisation and discussion at the workplace level contributed to consolidating workers' organisational capabilities, social networks of trust and organic leadership that enabled mobilisation to emerge rapidly and to sustain itself over time.

The cultivation of democratic, participatory practices during the mobilisation also acted as a conduit to forge alliances and collaborations with other movements and actors.

### **Radical industrial democracy and workers’ ideational power**

Radical ideas of industrial democracy as part of a broader vision of industrial citizenship and workers power provided a discursive and political terrain where “convergence” over the prefiguration of alternative, more sustainable and democratic models of production and accumulation could be found between the labour movement and other movements, such as for example the ecological movement.



## 6. Trade union action and representation at GKN Florence

### **Trade union presence:**

- Legacy of trade union history at the Fiat plant in Novoli
- Presence of a large majority union (Fiom-CGIL)
- Quasi-monopoly of representation (6 out of 7 RSUs affiliated to Fiom-CGIL)

### **Restructuring of forms of representation:**

- Internal trade union conflict 2007 → generational and political change within the RSU
- Between 2007 and 2008: birth of the “Factory Collective”
- Construction of a representation structure based on the experience of the Factory Councils of the 1970s

### **“Liaison” delegates:**

- Participative elective process (proposals by the RSU, ratification by the workers' assembly)
- Ramification within the factory (currently 12, they are distributed among the different departments and on the three shifts)
- Trade union agency (contractual recognition as of 2018)



## 6. Trade union action and representation at GKN Florence

### **The widening of workers' representation:**

- Bottom-up knowledge flow from the production process
- Reactivity/responsiveness of workers' representatives
- Strengthening the legitimacy of the RSU

### **Trade union action in GKN:**

- Defence of working conditions and health and safety protection (additional contractually recognised RLS)
- Negotiation on the implementation of new technologies (training and prevention of negative consequences)
- Extension of trade union protection to outsourced and temporary workers

### **Examples of recent collective agreements negotiated at GKN:**

- Agreement on the progressive permanent hiring of temporary workers (February 2020)
- Agreement on information rights (July 2020)
- Negotiation of an agreement on the implementation of an IT system called Captor 3 (spring 2021)





## 7. Workers' mobilisation and the *convergence* strategy

### **Organisation of the factory occupation (July-December 2021):**

- Coordination of all activities necessary for the factory life
- Establishment of a horizontal decision-making process (through the permanent workers' assembly)
- Development of occupation animation activities (assemblies, cultural events, concerts)

### **Entrenchment in solidarity networks before the conflict:**

- Building solidarity linkages with other local labour conflicts (Texprint, Cartonificio, Bekaert, etc.)
- Engagement in militant ("*centri sociali*", left-wing parties, movements) and socio-cultural (ARCI clubs, sports groups, cultural associations) realities.

### **Mobilisation of solidarity networks during the conflict:**

- Mobilisation of pre-existing solidarity linkages
- Creation of the solidarity group "Rise up with the GKN workers"
- Creation of solidarity linkages with student movements and associations



## 7. Workers' mobilisation and the *convergence* strategy

### **The *convergence* strategy**

This expression had already been used in Europe in the early 2000 by the performing arts workers' movement in Paris (*Coordination des intermittents et précaires d'Ile de France*). The aim is to bring together different social movements around a shared intent to enlarge their restricted mobilisation's base.

### **The convergence between class and environmental struggles**

In the GKN's struggle case, the convergence process has been facilitated by a redeployment of radical notions of industrial democracy and working-class environmentalism (Feltrin and Sacchetto, 2021), which has provided an ideational basis for a radical re-imagination of the capitalist mode of production

The repurposing of these ideas has created a discursive and political terrain where points of unity could be found between the GKN dispute and the climate justice movements.

### **A working-class ecological perspective on the so called 'just transition'**

The deep connection between the Factory Collective and the ecological movements has been precisely based on the combination of the mature reflections of the environmental movements about the distinctly anti-capitalist nature of an environmental struggle with the working-class reflections on the need for a concrete ecological transition.



## 7. Workers' mobilisation and the *convergence* strategy

- In October 2021 GKN workers joined the national demonstration against the G20 meeting in Rome launched by the global network Fridays For Future and grassroots unions.
- In March 2022, GKN workers also promoted a huge demonstration in Florence with tens of local and national organisations behind the claim “we are Nature rising up”, emphasising a radical interdependence that became also a political strategy for the whole struggle.
- In the summer of 2022, the factory collective started the organisation of two further national demonstrations which contributed to consolidate the convergence strategy:
  1. The first one took place in October in Bologna, co-organised with the local ecological movements against the expansion of a stretch of highway.
  2. The second one was in November in Naples, with the Unemployed Movement, to point out how much the south of Italy is affected by deindustrialization, unemployment and pollution.
- Finally, the convergence has consolidated progressively with the birth of the Solidarity Researchers Collective with the scope of developing an industrial and ecological recovery plan for the firm.
  - The Plan looks at the process of conversion as an opportunity to respond to the necessity of a ‘just transition’, pointing out the relevance of workers’ knowledge in designing new productive trajectories.





## 8. Where we stand now: workers' buyout in the absence of industrial policy

- When the entrepreneur Borgomeo arrived, inevitably the Factory Collective and the Solidarity Researchers Collective put themselves in a waiting position. Some of its members demanded to meet with the new owner, but this request was never granted.
- The Solidarity Researchers Collective began to operate again from September 2022, following the growing evidence of QF's failure to reindustrialise, giving itself the new name of Technical and Scientific Committee and welcoming new experts, including from the world of associations and business.
- On 20 December 2022, the Factory Collective organised a local referendum that collected 16,800 signatures in favour of public reindustrialisation.
- The Technical and Scientific Committee proposed an overall document that maps the industrial opportunities for the Florence plant. The Factory Collective continued to strongly demand public intervention, even if only in the form of credit guarantees or with the formation of a regional industrial consortium.
- However, such public intervention did not arrive and continues to be constantly excluded from the relevant negotiations, citing regulatory constraints.



## 8. Where we stand now: workers' buyout in the absence of industrial policy

- In the overt absence of willingness and ability on the part of national and regional institutions to think about industrial policies that accompany the ecological transition, the Factory Collective now calls for space to be given to 'reindustrialisation from below': the workers are ready for a cooperative recovery of the factory.
- The plan is to convert the production of the former GKN factory to environmentally friendly photovoltaic systems, batteries and cargo bikes, by means of a large crowdfunding campaign. The plan is developed jointly by the Technical and Scientific Committee, composed by scientists from all Italy and activists from different groups and organisations (*Co.Mu.net-Officine Corsare, Autogestione in Movimento - Fuori Mercato, Rete italiana Imprese Recuperae, MAG*).
- The crowdfunding campaign is supported by *Banca Etica*, *ARCI* and *Fridays for Future Italia* and consists of two phases:
  1. In the first phase, donations will be collected through *Produzioni dal basso*'s website from March to May the 2nd 2023 to launch the conversion plan. *Produzioni dal basso* is a crowdfunding platform run by the cooperative bank *Banca Etica*.
  2. In the second phase, the Factory Collective will launch a so-called equity crowdfunding from summer 2023. This will consist of small, medium and large investments.




## 8. Where we stand now: workers' buyout in the absence of industrial policy

- If the plan succeeds, GKN will be the first factory in Italy to be taken over by the workers in order to start large-scale industrial production and to be community-based through the active participation of an entire region.
- As planned, the workers will be directly involved in the management of the new production project.
- In addition to public and private investors, representatives of the region and all participants in the equity crowdfunding will be elected to the board of the cooperative called “*Insorgiamo*”.

# DONATE!




<https://www.produzionidalbasso.com/project/gkn-for-future/>

### ex-GKN FOR FUTURE



A  
SOMS campaign WE RISE UP  
[Contacts](#)

**SUPPORT THIS PROJECT**

Collected	€43,536.00
Objective	€75,000.00
supporters	564
Expiration	34 days remaining
Mode	collect everything <input type="checkbox"/>
Category	community & social
Goals	  





## Some food for thought

- ❑ Revisiting labour-technology nexus
  - ❑ How innovation takes place
- ❑ Power and industrialization plan: top-down vs. bottom-up
  - ❑ Which role for the management/entrepreneur?
- ❑ The workers' knowledge
  - ❑ Lucas Plan documentary: *The most precious asset of our society is being wasted. Not coal, ore or natural gas, but skill, ingenuity, energy, enthusiasm and creativity of 1.6 million people out of work in this country*
  - ❑ Manufacturing plant dismantled → workforce dispersion (often toward services) → capabilities lost
  - ❑ GKN fight: defending jobs and capabilities belonging to a territory
  - ❑ There is no automatic mechanism to get back capabilities lost
- ❑ How are we managing the *production* of green transition?
  - ❑ Green & energy transition vs. jobs? Or opportunity to boost socially useful productions?
  - ❑ Crucial question: what is to be produced in our society?