INTRODUCTION

Lamborghini, Audi and the Emilian Route to Participation

On 10 July 2018, the Italian newspaper *La Repubblica* headlined: 'Lamborghini: Audi Likes the Emilian Route for the German Model'.[1] The article was published at a time when Automobili Lamborghini, based in Sant'Agata Bolognese, was in the process of signing a bridging agreement between the second-tier collective bargaining agreement signed in 2015 (due to expire in 2018) and the subsequent three-year contract, which had been postponed and was then signed in July 2019.[2] The article noted how impressed Audi (owner of Lamborghini) and its Works Council were with the way in which the union negotiations were conducted and the results achieved.[3] In more general terms, there was recognition for the way in which relations between the company and the trade union, between workers and managers – industrial relations, in corporate organisation lingo – were established and developed at Lamborghini over the years, adopting a 'German imprint'.

Founded in 1963 by Ferruccio Lamborghini, this famous Italian luxury super sports car brand, which targets the very highest niches of the automotive market, has been owned by the Volkswagen Group through the Audi holding company since 1998. This fundamental aspect of the brand's history is not well known to the general public, which continues to associate it exclusively with the Italian nature of the product (the famous *Made in Italy*) and the legendary biography of its founder: Ferruccio – born in 1916 in Renazzo, a hamlet of Cento, Ferrara – who embodies the myth of the self-made man in the lands of Emilia.

The system of industrial relations at the factory is from the parent company Audi-VW and inspired by the model used there. It is a

central axis of the overall organisation of work and, from an ownership perspective, a characteristic and inescapable aspect of production in an automotive multinational that operates on the basis of so-called *mitbestimmung* (co-determination, to use a literal translation). What is known in international corporate governance parlance as participation, the translation of the term and the steps involved in the practical application of such a system outside the original borders of Germany, is a matter of genuine importance both for the parent company and for the companies in the VW Group, which are located all over the world.[4]

This book is the result of about four years of ethnographic research (from 2016 to 2019), most of which was directly at Automobili Lamborghini, but also extending to the local and then the multisite context (at the Audi headquarters in Ingolstadt and the VW headquarters in Wolfsburg). The focus of this work is primarily on the forms of work in a unique automotive company, where processes, products and labour relations are highly specific, both because of the product and as a consequence of the German ownership. At the same time, the focus is also on the consequences in the lives of the workers of industrial developments and an organisational system that embodies a process typical of the global nature of production and, especially, of the automotive sector. Indeed, in recent years, numerous changes have taken place at the company, namely, the acquisition of the famous Italian brand by a multinational industrial giant, the VW Group, which has placed it under the Audi holding company since 1998, followed by the internationalisation of the company. A closer look at the company's history actually shows that it passed into foreign hands very early on, in 1972, and then went through twenty-six years of instability, marked by four changes of ownership, until it was bought by Audi-VW in 1998. Since then, as we shall see, the 'artisan' luxury car factory has enjoyed a steady rise. Founded on the mechanical excellence that typifies that triangle of Emilia demarcated by Modena, Bologna and Reggio Emilia – an area that has come to be known as Motor Valley – and combining this with that ceaseless search for beauty and stylistic luxury that have characterised the company since its origins, it became a card-carrying member of the Olympus of international luxury cars with the launch of the famous Miura in 1966. However, after Ferruccio's brief reign and numerous corporate crises, the company has undergone a major transformation during more than two decades of German ownership, and is now able to compete with the oldest and strongest brands in the super sports car segment, both in the region (such as Ferrari,

Maserati, Pagani and Dallara) and internationally (such as Aston Martin, Bugatti and Porsche, the latter two of which are also owned by the VW Group).

Older employees at Automobili Lamborghini vividly recall how a small company with only a few hundred employees at the time of the takeover, compared to Audi's Ingolstadt (Bavaria) plant that had around 45,000, has grown to 2,022 employees today, 81 per cent of whom are men and 19 per cent are women.[5] It has three assembly lines for two super sports cars (Huracán and Aventador, the latter subsequently replaced by the Revuelto), and a sports utility vehicle (SUV), launched in 2017, called Urus. The plant has a large research and development (R&D) centre, which has been designing, engineering and developing car models since its inception; an area for personalising cars (*ad personam*); a carbon-fibre composite sheet metal department – a truly international centre of excellence and quite unique (with numerous registered patents), having been created in 2012 with the internalisation of a previously outsourced production phase; a paint shop, inaugurated in 2019, again following the internalisation of a previously outsourced function; and, finally, human resources, administration and sales.

The management of this company, initially viewed by the world's leading automotive Group as a small piece of excellence, is currently all Italian, with the exception of one German manager (the purchasing manager, who was replaced by an Italian in 2019). The most interesting aspect, and one that plays a central role in the organisation of work within the company, is the system of industrial relations. As mentioned above, this is characterised by the German system of *mitbestimmung* (literally 'co-determination'), which is typical of the German legal framework and industrial practices, and that finds its most obvious form of implementation in the VW Group. *Mitbestimmung*, also known as the German model, arose for specific historical reasons tied to German history and industry, and, as we shall see, is closely linked to the establishment of the famous car factory in Wolfsburg, the role it played during the Nazi era and the economic role it has played in the postwar transformation to the present day. Launched in 1955, the Beetle – known as *maggiolino* in Italy – is a good example of the avant-garde and successful nature of the factory in post-Nazi Germany.

Mitbestimmung – often referred to as worker participation in the language of international corporate organisation – is a system of company management and industrial relations that is entirely at odds with the Italian tradition, both for companies and trade unions. At the

heart of this model is worker participation in company governance, including worker shareholdings and their presence on the board of directors, as well as their representation on the works councils, with a separation between the regional and national trade unions and the democratic bodies within the companies (works councils), following the dual system typical of big industry in Germany. Since the 1990s, this system has been recommended by various European directives and has been exported beyond the borders of Germany in various forms of application, imitation and translation. In recent years there has actually been a proliferation of different experiences of employee participation, including some cases in Italy, adopting heterogeneous approaches to differing degrees of success. This upswing has been accompanied by increasing academic interest, with organisational and social science studies.

Against such a backdrop, the case of Automobili Lamborghini is original and, in some respects, unique since it is directly based on the *mitbestimmung* of the parent company – indeed, it imposed and insisted on its adoption – and then it had to be syncretised with the strongest and most historically rooted Italian metalworkers' union, FIOM-CGIL (Federation of Italian Metalworkers, within the Italian General Chamber of Labour) in Bologna. Historically, the latter has long played a leading role in Automobili Lamborghini and more generally in the Emilian mechanical triangle or cluster. Unwavering indications from the parent company make participation part of the industrial relations structure used by all VW Group companies, and at the same time a pillar of the company's production system. From Lamborghini's perspective, local trade unions – with FIOM as the dominant force in the company and the geographical area – have a history defined by worker struggles and victories in second-tier bargaining agreements, while also playing a leading role in national bargaining in what is known in Italy as the metal mechanic industry. It is the mixture of these two elements – one coming from Germany in general and VW in particular, and the other deeply rooted in the history of Emilia – that makes the organisation of the factory highly original and unique, producing conditions such as excellent wages, generous company welfare and a general climate of care and sensitivity towards working conditions, based on certain mechanisms that allow them to be effectively implemented, according to the overall representation that, as we shall see, the workers themselves provide. This outlines an organisation that seeks to bring together the interests of the company and the interests of the workers (in a win-win situation, as the company likes to put it). Importantly, from

the workers' perspective, such results are not merely because of the luxury product manufactured and the high profit margins this provides. Although the luxury manufacturing sector is under-researched and its internal happenings are less well known, it is worth noting that the few existing studies in Italy, such as one on large fashion brands, show that it is precisely here that the exploitation of workers is most pronounced and severe (Bubbico, Redini and Sacchetto 2017).

The anthropological questions that drive my work are based on the French approach to corporate anthropology – introduced into Italy by the pioneering work of Papa (1999) – and on the contemporary debate on work. These questions start precisely from the anthropologically understood sense (meaning and value) that work takes on in a car factory that produces high-end cars for the richest segments of the world's population, and from the realisation that good working conditions and a rather original and atypical form of industrial democracy, inspired by the system in force at VW, nevertheless exist. The anthropological interest in the Lamborghini case lies on at least two different levels. The first is at the local level, in that this experiment mixes inputs and indications from German industrial organisation (VW) with skills and experience closely linked to the mechanical cluster in Emilia, giving rise not only to excellence in the sector, but even more so to an experiment in industrial relations that differs greatly from other Italian industrial structures (and from those of the automotive sector in particular). The syncretism referred to above leads to questions about the forms and ways of merging and blending different, if not actually opposed, principles and values, about the exchange of what is taken and what is given up, on both sides, in order to make adaptable and practicable forms and visions of work that are generated elsewhere and imported. Of course, such forms and visions then still have to be translated into the more general context of the Italian industrial and trade union environment, albeit a specific segment of car production and a union with its own specificities.

To move to the second level of anthropological interest – the global level – Audi's ownership has allowed Lamborghini and its workers access to a supranational production circuit, both in terms of knowhow and industrial relations. As will be seen later on, the participation of local workers' representatives and members of human resources in the VW Group's own international circuit of workers' representation – the European Works Council and the World Works Council (EWC and GWC respectively) – marked a breach of local boundaries, opening up new horizons not only for workers' rights,

but also for company's top managers to know about and play a global role as part of specific supranational organisations. The round-trip, so to speak, that takes workers and managers to Germany to learn the methods, principles and rules of the parent company, and the return that leads to the application and use of these principles in the daily life of the local company, is a process that is far from linear and simple. Indeed, it is complex and definitely not without its own hurdles, as the workers, managers and trade union representatives who contributed to this research have shown.

The results of this process, the transit of principles and values between Germany and Emilia – between the owner and one of its subsidiaries – take on a new meaning both inside and outside the company. Blue-collar workers (well, they actually wear black overalls, as that is the company colour) and white-collar workers put into practice on a daily basis industrial relations, parent company procedures and skills, learning different values and then adapting them all to the context of their own, specific product, tradition and legal system. The results of these progressive adjustments, as mentioned above, are not only measurable within the company's walls; indeed, they reverberate outside the company, in the wider Emilia region. They inevitably lead one to ask how many and which aspects of this industrial case can be read and reinterpreted more broadly – in other words, what aspects are worth reflecting on not only in the panorama of Italian industrial relations, but also in the overall scenario of the globalisation of production and its consequences for labour.

Finally, looking again at Germany and Audi, the growth of the Sant'Agata plant, the increase in production and in the number of employees, hides internal competition within the Group that is no less intense than the external competition, and at the same time highlights certain successes that must be understood in terms of the global positioning achieved by Automobili Lamborghini in recent years. The latter question is of particular interest when viewed within the broader context of the international distribution of labour on a planetary scale, since, based on the literature, such distribution is configured according to increasingly mobile geographies, with ever more changeable and contingent indicators as far as the choice of locations and the allocation of production is concerned. More specifically, in the automotive industry as a whole and in the VW Group in particular, the balance between the distribution of production and of labour is in the midst of a major transformation due to technological and process changes, the market wanting greener vehicles and new production inputs as a result of Dieselgate.[6] As a result, in those

years (starting in 2016), a major crisis kicked off in the VW Group that generated genuine fears of job cuts globally, including at the Italian sites. Today, despite major technological shifts towards new electric engines, VW's post-Dieselgate sales have largely remained at the same levels, and some observers believe that *mitbestimmung* has played a key role in this. Even the COVID-19 pandemic, with stay-at-home orders and production stoppages in Italy, did not significantly slow down the growth of Automobili Lamborghini, which in recent years has been linked both to sales of the Urus SUV and to the success of the Revuelto model, the successor to the Aventador.

Drawing on recent international debate on the anthropology of globalised labour and finding inspiration in the theory of global value chains and their outcomes, the overall strategy implemented at Automobili Lamborghini – blending local expertise, experience and specialisation with external skills, principles and an original system of industrial relations – highlights the role that the Bologna-based company has gradually assumed not only in the automotive giant, but also in global value chains more generally. To express this idea differently, the hypothesis developed here is not only about the immediate effects on labour, on its resilience and on the daily cultural outlook of the company's workers, but also about the place that Lamborghini has progressively occupied in the global production of the VW Group, and especially the role it looks likely to take on in the future. Finally, this leads to the question as to whether the extensive work carried out over the last twenty-five years, within this delicate system of syncretisms, will be able to withstand and perpetuate itself in the future in the face of the recent crises and the new outlook for global car manufacturing. In essence, the research questions touch directly on the type of path taken, the results achieved in the global positioning of local labour, the system of unions and industrial relations created, the role that this plays in the positioning of the company and, with specific reference to the anthropological observations on union transformations from Durrenberger and Reichart (2010), the union model and the forms of supranational cohesion of workers actually achieved.

Anthropologically speaking, participant observation focused on working conditions, learning about the departments and specific production processes, and reconstructing the arduous process that underscored the insourcing of carbon-fibre body-in-white production (for the Aventador model), with a complicated mix of workers from different regional backgrounds, with varied work cultures and specialist skills. These processes have given Lamborghini a new

role in the design and production of body-in-white and carbon composite components, compared to the VW Group as a whole. The analysis next focused on the role of the union in the factory, and its repercussions outside, at the Bologna and regional sites as well as at international headquarters of Audi in Ingolstadt and Volkswagen in Wolfsburg – through a multisited ethnography – where the system of industrial relations is practised in the international institutions designated for this purpose and is also learnt by all the companies they own. Finally, my focus moved to the role of managers, who have had to adapt to a system of industrial relations and forms of dialogue with workers that are new and unusual in Italian history and management culture. Given that managers are less accessible and less studied among workers, research within the company has allowed me to study the work processes from the viewpoint of those who manage them, to analyse soft skills, management styles and forms of control at work, with a focus on women and the contribution of certain female managers who have tried to bring about major transformations in the representation and marketing of supercars.

Taken as a whole, the ethnographic fragments of a large, complex company, reconstructed through the access to which I was granted and the ethnographic co-construction achieved, paint a picture of great originality, novelty and ingenuity. It is an example of German worker participation in the Emilian way, the results of which have so far been positive – as shown by the growth of the company and its workers – both in the daily experience of workers, trade unionists and managers, and in the economic and manufacturing results.

While the ILO (International Labour Organization) has denounced the need to protect decent work standards (ILO 2017), with explicit reference to the fact that more and more occupations around the world are falling below minimum levels of dignity in terms of working conditions, and for human beings, Lamborghini paints a sharply different picture. While many studies point to a growth of deprivation and dispossession, new inequalities in the global hierarchies of production distribution, a loss of workers' rights and increasing exploitation, Lamborghini is not only doing well economically, with growing sales and production, but also in terms of how results are pursued – that is, by increasing labour rights and drawing an atypical snapshot of industrial democracy. This is all happening through the efficient adoption of VW's own principles and, in a sense, through small steps designed to scale the multinational giant to which the company belongs. So, using the tools of ethnography, we are about

to enter into the everyday life and workings of the company known locally as the Happy Island. The aim is to study its principles and practices, working life and certain aspects of it, work processes and the production of a car that has both financial and symbolic power. Finally, but certainly no less importantly, the study will look at the most obvious aspects and those in the shadows of the laborious construction of a journey of company organisation and industrial relations that has involved the daily translation of German *mitbestimmung* into Emilian *partecipazione*, which requires constant, demanding discussion and engagement within a global automotive giant.

The opportunity to conduct ethnography inside the factory, to participate in various constitutive moments of company life and to extend a multisited ethnography to German VW Group sites are all aspects that add to the originality of this work. In anthropological research, such an experience could never be expected or taken for granted. It started with a project that was autonomous in its intentions and independent in its results, but based on a three-year research agreement signed with the company and approved by the trade union, following a triangulation not unlike participatory practices, that formed the methodological core of the research. In such an approach, the ethnographic work involved interaction with the human resources (HR) department and the trade union, exploring issues of deontological ethics, corporate confidentiality, the balance of relationships and even the disclosure of results. This was certainly not without the odd hiccup, but was always carried out on the basis of growing, structured dialogue, under the banner of a delicate co-construction of roles that saw increasing trust and the preservation of the diversity of roles and independence, both in the research premises and the research objectives. Starting from these premises, the focus moves to how this anthropological study was developed and the results this achieved.

Notes

1. Marco Patucchi, 'Lamborghini: "Ad Audi piace la via emiliana al modello tedesco"', *La Repubblica*, 10 July 2018.
2. Under Italian law, in addition to the industry-specific national collective bargaining agreements (known as CCNL), which have a primary coordinating and organising role, it is possible to have a three-year company agreement (generally known as a second-tier or supplementary agreement) that effectively decentralises certain aspects of labour bargaining between unions, organisations and companies, and makes it possible to supplement or derogate from the first-tier agreement, adapting it to the specific characteristics of the company.

3. The article in question and its headline highlight a sentence from a major speech by Michele Bulgarelli, then Bologna secretary of the FIOM metalworkers' union, who, when interviewed by the journalist in question, said he felt the system of industrial relations at the factory was its real strength.
4. The VW Group has a total of 120 production plants in nineteen European countries and ten countries in America, Asia and Africa, employing around 650,000 people. It also includes Volkswagen Financial Services.
5. The data are from December 2022. Source: Automobili Lamborghini.
6. The matter, dubbed Dieselgate by the press, broke in late 2015 when VW was accused by the Environmental Protection Agency (EPA), the US federal agency that certifies car engine emissions, of manipulating diesel engine software to drastically reduce emissions during testing in order to get the cars approved. Although Lamborghini production was not directly involved, it did threaten to have a major impact on the company as a whole, requiring new global and local strategies. In February 2016, when the issue was front-page news in Italy, I made my first ethnographic contact with the company.