

# How the Air France deal was reached

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More details have emerged of how the agreement between Air France President Jean-Cyril Spinetta and the main pilots' union, the SNPL (Syndicat National des Pilotes de Ligne), was reached in the early hours of Wednesday morning to call off the 10-day strike which had crippled the airline's operations. The deal was drawn up in secret negotiations from which the smaller unions representing pilots were excluded. The SNPL accepted concessions that give Air France all the cuts it was seeking.

From the very start, the Socialist Party government coalition headed by Prime Minister Lionel Jospin was heavily involved behind the scenes in ensuring that the pay cuts being demanded by Air France were rammed through. An article in the daily newspaper *Libération* revealed that a "steering group" was set up in the Transport Ministry to oversee the strike and the conduct of negotiations. This included representatives of Jospin's office, Transport Minister Jean-Claude Gaysott's principal private secretary and an advisor from the Finance Ministry.

After the collapse of negotiations at the weekend, a crisis meeting was held at the Matignon, the official residence of Jospin. Present were Spinetta, Strauss-Kahn (finance minister) and Gaysott. Jospin is reported to have hauled Gaysott over the coals for his earlier conciliatory noises and insisted that it was time to "take a firm line". Strauss-Kahn agreed, saying, "if the survival of the company is at stake we should not give way." The meeting discussed the idea that an Air France board of directors meeting could be called to impose a settlement over the unions' heads.

Afterwards, an official statement was released by Jospin's office expressing "full support" for Spinetta, who then let it be known that he was considering calling a board of directors meeting to take "authoritative action" in order to achieve the 500 million franc saving by imposing a new pay scale. On

Monday, Jospin's principal private secretary met Spinetta, together with the Cabinet Secretary and the principal private secretaries of Strauss-Kahn and Gaysott. Spinetta was assured that the government was behind him all the way.

At the general meeting of the pilots held on Tuesday, SNPL chief Jean-Charles Corbet made a demagogic speech in which he insisted, "there is no question of them touching the wages bill." The pilots then voted unanimously to continue their strike. No sooner had he finished talking, however, than Corbet disappeared to make a call on his mobile phone to Air France management: "We can try to discuss again this evening," *Libération* reports.

Secret talks were set up immediately, commencing at seven that evening. By Wednesday morning the dirty deed was done. An agreement was announced which Corbet described as "a beautiful compromise". In reality, it was Air France that had succeeded in pushing through their cuts with the assistance of the SNPL. The agreement signed was, if anything, less advantageous than the offer the company made on Saturday, which was rejected by the pilots.

Pilots' pay is now to be frozen for seven years. During this time they will not receive any increases to compensate for inflation. This is currently running at 1.5 percent. If it continues at this rate for seven years, the company will save 11 percent on its wage bill. If inflation rises to 2 percent, the saving is 15 percent, or 500 million francs a year, which is exactly what the company demanded in the first place.

The agreement allows for a "re-examination" of this every two years if inflation rises more rapidly. However, the company has given no guarantee that such a re-examination will lead to pilots' wages increasing. If its performance suffers, wages could just as easily be revised down.

The plan to cut pilots' wages by 15 percent in

exchange for 10 percent of shares in a partially privatised company was first proposed by current Air France President Spinetta's predecessor, Christian Blanc. The agreement now talks of such an exchange being voluntary and limited to seven years, but nothing is known about the possible level of participation and the cut in wages being demanded.

Claims that a two-tier pay scale has been abolished are disingenuous. The agreement allows Air France to establish "a specific scale of remuneration for new recruits". The two-tier scale imposed in May 1997 is withdrawn, but a new "junior pilots" scale is to be introduced, inspired by that at British Airways. Newly qualified pilots will receive 300,000 francs instead of the 360,000 they would have previously been paid. This scale will continue for the first five years of their career. Savings made from this alone are estimated at 40 million francs a year.

As we post this report, unions organising the remaining 30 percent of Air France pilots are meeting to discuss whether to call off their action.



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