Jobs and safety sacrificed in global airline industry

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A recently published report on the global aviation industry describes a 'race to the bottom' on employment conditions that is jeopardising safety standards and service quality. Produced by the Cardiff University's Business School and the International Transport Workers Federation, the report is based on a survey of 52 unions covering more than 500,000 aviation workers in 29 countries.

Entitled *Contesting Globalisation: Airline Restructuring, Labour Flexibility and Trade Union Strategies,* the report reveals that 78 percent of workers face increased workloads, while 54 percent said hours of work had lengthened. More than half had suffered a cut in wages and 69 percent said job satisfaction and morale had fallen.

Working hours, especially for cabin crews, had increased dramatically with more than a third of the unions reporting longer shift durations and 40 percent citing an increase in total working hours.

Some 75 percent of airlines had contracted out work and many were engaged in global outsourcing. For example, Swiss Air shifted its aircraft maintenance to Shannon, Ireland. Singapore Airlines, Japan Airlines and Cathay Pacific moved their maintenance operations to Xiamen, China. Ticketing and data processing for British Airways and Swiss Air is now performed in Mumbai, India.

This trend is driven by the necessity for each company to reduce costs in the increasingly competitive industry by transferring operations to low-wage and minimal or tax-free areas. Low-cost operations have become the benchmark that all airlines in every country must match.

One question the report does not tackle is the role that the unions themselves have played in allowing these conditions to be imposed on workers. It does state that unions are trading off wages and conditions for supposed job security. It speaks of concessional bargaining aimed at securing ' long term viability'.

There can be no such a thing as job security when workers are coerced into continuously meeting international benchmarks. Jobs and conditions--and safety--are constantly undermined in order to drive up profitability.

These processes are intensifying as the major airlines establish global alliances in order to create 'economies of scale,' minimise costs and expand market shares. Increasingly workers are confronted by globally co-ordinated efforts by the airlines to suppress wages, increase productivity and outsource jobs to lower cost subsidiaries.

Amid the ongoing world financial crisis, falling passenger numbers and cargo loads are further accelerating these trends. According to a recent survey, airline financial officers expect that five to ten partnerships will dominate the world market by the beginning of the next century. So far, three major alliances have been formed-Star Alliance, Delta Alliance and British Airways-American Airlines.

There is an urgent and pressing need for airline workers to develop their own international strategy to deal with the global corporate onslaught. The needs of workers and the provision of high quality, safe and reasonably-priced airline transportation for the public must take precedence over the profit requirements of the airline companies.

However, the International Transport Workers Federation did not commission the report with a view to suddenly changing course to challenge the employers and unify the struggles of workers internationally against them. The ITWF produced the report in order to discuss the best methods of ensuring the survival of the

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union bureaucracies under the new conditions.

One of the report's co-authors, Professor Peter Turnbull, told a recent international congress of aviation industry unions hosted by the ITWF in New Delhi that 'the research set out to specifically look at cases where unions had survived the process of restructuring relatively unscathed in order to identify union strategies which appeared to be more successful'.

Stuart Howard, head of the ITWF's Civil Aviation section, spelled this preoccupation out even more clearly at a two-day conference of the federation in Sydney earlier this year. Howard said that 'co-ordinating the unions' at different airlines within global blocs would 'provide greater muscle and ensure they were consulted on the decision making process'.

'We're not asking for a kind of international collective bargaining but we are asking for consultation so that unions can have an input when there are collective issues being discussed at an alliance level. We would expect that, as the airline managements start to realise our own co-ordination is going to be a permanent fixture, they will probably see some advantage in coming and talking to us'.

In line with this orientation, the union alliances correspond directly to those formed by the companies themselves.

Over the past few months, airline workers around the globe have engaged in protracted and bitter strikes in an attempt to combat the destruction of jobs and conditions. Pilots, ground staff and cabin crews employed by some of the major carriers have been involved.

Pilots at Japan Airlines, Philippine Airlines and Air France were recently on strike almost simultaneously against sackings and wage cuts. Norwegian air traffic controllers took industrial action in June followed by Spanish airport workers in June and in October. Both Cathay Pacific and Philippine Airlines have recently axed thousands of jobs and curtailed large parts of their fleets in response to the economic crisis in the region, as well as increased competition and 'over-capacity' in the market.

In every case the striking workers were kept isolated and divided as the union leaders worked behind the scenes to either bury the disputes or strike deals to meet the demand of the employers.

The union leaders are so crucial to the process of restructuring and ensuring profitability today that their role is recognised and praised at times by airline management. Comments by Ansett Airlines chief executive Rod Eddington last month in the *Australian Financial Review* are a case in point. Ansett is part of the Star Alliance, which includes United Airlines, Scandinavian Airlines, Lufthansa, Air Canada, Thai Airways, Singapore Airlines and Air New Zealand.

In discussing current negotiations with the unions over a new pay deal, Eddington stated: ' I'm entirely confident we will work through this with the ACTU (Australian Council of Trade Unions) and the trade unions and will find a sensible, balanced outcome. For me the union relationship is an absolutely critical one, and I'm committed to being open with the unions and our people and look to work in a spirit of partnership here. It's not for me to lock the gates at midnight and bring in the guys with the balaclavas and dogs. My view is that is a lose-lose strategy'.

Eddington's talk of 'guys with balaclavas and dogs' is a reference to this year's Australian waterfront conflict, where Patrick Stevedoring mobilised masked security guards with dogs to take over dock operations and dismiss all its dock workers.

Thousands of workers and their supporters bitterly opposed the lockout, which then became embroiled in legal problems. In a subsequent agreement, the ACTU and the Maritime Union of Australia undertook to deliver Patrick's requirements, including the halving of the workforce.

Thus, like their maritime counterparts, which also come under the ITWF umbrella, the airline unions are positioning themselves to continue delivering the cost-cutting outcomes required by transnational employers.

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