

An answer to the attacks launched by Airbus

By Editorial Board
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The decision by the Airbus Company to slash 10,000 jobs is the high point of a broad offensive aimed at reducing the living standards of all European workers to the level of their grandfathers and great-grandfathers. The current developments at Airbus are not only of concern for the company's workers and employees, but for all workers and young people in Europe, who are not prepared to accept a return to the social conditions that prevailed in the 1930s.

Events at Airbus highlight the fundamental problems that confront workers all over the world: the subordination of any long-term economic development to the short-term interest of a financial aristocracy geared to maximum rates of profit; the permanent attacks on living standards and jobs; the bankruptcy of the trade unions, which have no means for opposing these developments and which function as co-managers for the big concerns; and the pernicious role played by governments, which split workers along national lines—turning them against one another.

The defence of jobs and social gains, even the very possibility of technological and cultural progress, requires a fundamentally new political strategy. Trade union protest and pressure on the ruling elites will not suffice. Production must be removed from the control of the financial aristocracy and be placed at the service of society as a whole. The working class must break with its old, national organisations and unite on a European and worldwide basis to fight for a socialist reorganisation of society.

These are the lessons that emerge from the current crisis of Airbus.

Airbus is a leading technological company. Founded in December 1970, it now produces a whole range of ultramodern airplanes and shares with Boeing the world market for large passenger planes. Its order books are full. Approximately 7,000 airplanes have been booked in advance—more than the company can produce. According to the German works council chairman Rüdiger Lütjen: "We have an endless amount of work."

Despite this state of affairs, every ninth job in the company and its subcontractors is to be destroyed or outsourced. Behind the decision is not any lack of orders but rather the drive to maximise profits. By the year 2010, the company plans to save 6.6 billion euros, and afterwards an average of 2 billion every year.

This is done entirely at the expense of the workforce. The sale of entire factories and the further outsourcing of production are aimed at cutting wages and enforcing large-scale increases in productivity within the company.

The reconstruction plan known as "Power 8" envisages 30 percent of the production of the model A350, which is still in planning, being carried out by foreign suppliers in Europe, as well as in low-wage countries such as China. At the same time, by concentrating purchases, the number of suppliers will be cut from 10,000 to 7,000. This will put enormous pressure on the latter to reduce prices, which in turn will inevitably lead to more job cuts.

Inside the company, productivity in the field of engineering is to be increased by 15 percent within the next four years, while administrative costs are to be reduced by 30 percent over the same period.

The break-up of entire factories with a highly qualified, trained staff and the increasing work pressure for increased productivity will have

inevitable consequences for quality and, in the long run, for passenger safety.

When the company was founded more than 35 years ago, it was clear that such an ambitious and complex project as the construction of modern passenger planes required the convergence of technical and financial resources from all over Europe. Following many years of preparation and substantial government participation, Airbus emerged as a joint French-German enterprise. In 1971, Spain joined the Airbus project, with Great Britain joining in 1979. Development costs for the new airplanes, which ran into billions, were almost exclusively drawn from tax revenues.

The governments involved were not acting out of altruism. The development of a European aircraft industry was aimed at challenging US domination of the market. In the 1960s, the US produced nearly 85 percent of all commercial airplanes, while Europe produced just 10 percent. Many politicians, such as the head of Germany's Christian Social Union and first Airbus executive chairman, Franz Josef Strauss, regarded the construction of an efficient European aircraft industry as an important step in the development of a European armaments industry—which shares many of the technologies used in aviation.

By combining resources on a European-wide basis, Airbus was able to obtain outstanding technical results. After initial problems and sluggish sales, Airbus made a breakthrough at the end of the 1970s, and in the 1990s it drew level with its only competitor—the major US airplane manufacturer Boeing.

The company's most technically ambitious project is the A380, which is close to the point of delivery. The largest mass-produced passenger plane in the world can carry up to 850 passengers across a distance of 16,000 kilometres and exceeds the performance of the Boeing 747 "jumbo jet." The development costs for this model totalled approximately 12 billion euros.

Delays in the delivery of the A380 and the high development costs for the A350 (a smaller long-range aircraft based on completely new technologies), as well as the weak US dollar, are given as the main reasons for Airbus's current difficulties—allegedly necessitating the restructuring scheme "Power 8." But it is obvious that temporary financial problems, which have cropped up before in the history of Airbus, are being used as a pretext to launch a full-scale offensive against the workforce.

This has been spelled out by the British business magazine *Economist*, which deplores "strict European labour laws and political sensitivities" that stand in the way of even more drastic job cuts. In contrast, "America's softer labour laws" have made it easier for Boeing to cut away the fat. The magazine concludes: "Whatever Airbus is able to achieve by trimming costs, or through efforts to outsource, the American firm will have an easier time shifting production to where it is cheapest."

Most business commentaries attribute Airbus's financial problems to political interference in the affairs of the company. Typical in this respect is Andreas Nölting, editor of *Manager Magazine*, who writes: "Airbus will only have room to breathe when the enterprise is completely freed from politics; this is the pure theory of the free-market economy".

This is simply nonsense. Private companies such as Siemens, Volkswagen and Bayer-Schering have also recently carried out drastic

restructuring at the expense of the workforce. German Telekom has just announced the outsourcing of approximately 50,000 employees, accompanied by wage cuts of up to 30 percent.

Airbus's main competitor, Boeing, carried out its own restructuring six years ago, relocating the firm's headquarters from the main production complex in Seattle to Chicago. During the previous three years Boeing closed down a number of plants, slashing 25,000 jobs in aircraft production and 49,000 throughout the company as a whole.

The aim of the operation was to turn Boeing into a global company exclusively committed to "shareholder value." The company's CEO declared that the move was necessary "to cut the apron strings to Seattle and set up shop in a major financial market that's pro-business and centrally located."

Boeing aimed at cost savings in production of up to 50 percent—to be obtained through transferring production to outside firms and other locations and countries. This would enable the company to push down wages and reduce, or increase, staff at short notice depending upon its orders. In addition, the time between order and delivery was to be halved by a system called "lean manufacturing."

The programme showed immediate results. In 2001, Boeing registered a record income of US\$57 billion and reported operating margins of 10 percent for the first time in a decade. Airbus's "Power 8" is the answer to Boeing's restructuring programme.

Works councils and trade unions have reacted to the Airbus restructuring scheme with the demand for state intervention.

Without the initiative of the state, Airbus would never have come into being. But the time in which national economic policy created and secured jobs and technological progress is long past. For years, in both Germany and France, social-democratic and conservative governments alike have been systematically curtailing workers' rights and deregulating the job market, in order to give free rein to finance capital.

The Airbus restructuring plan has led to substantial tensions between France and Germany. In the end, President Jacques Chirac and Chancellor Angela Merkel personally took up the issue. However, neither of them challenged the aims of the "Power 8" programme. Their main concern was to distribute the burden "fairly"—i.e., to make sure that French and German workers suffer equally.

The takeover of shares in Airbus by state or regional governments is in no way better. German Länder and French regions, which are particularly hard hit by the restructuring plan, have made such proposals. They have the support of the trade unions as well as the French Socialist Party presidential candidate Ségolène Royal.

According to its president, Martin Malvy, the southern French region of Midi-Pyrénées is prepared to take over a share of between 5 and 10 percent of Airbus. He fears the loss of 60,000 jobs in 480 medium-size enterprises in the region ensuing from the Airbus crisis. Similar proposals have come from the north German state of Lower Saxony, which is also hard hit.

These regional governments are not responding to the plight of the workforce. They see their task as defending the interests of their region at the expense of all others. They work on the basis of the principle of St. Florian: "Holy St. Florian, spare my house, burn that of my neighbour!"

The European Union has been calling for such a "competition between the regions" for some time. It is a mechanism for cuts in wages, taxes and social spending. To become "attractive for investors," regions must enter into a dogfight, where they seek to outbid one another. The result is a Balkanization of Europe, a fight of everyone against everyone, enabling major concerns to further drive down incomes and social standards while reaping huge, and virtually tax-free, profits.

The trade unions are playing a criminal role in this attempt to incite French and German workers against each other.

Neither the German IG Metall industrial union nor the French trade

union federations have challenged the reorganisation of Airbus as a matter of principle—instead, they are working feverishly in works councils and executive boards to prepare and implement the plans, receiving generous allowances and salaries in the process. When they head any protests, they do so in order to direct the widespread anger against the workforces in other countries.

One month before the publication of "Power 8," the French trade unions presented their own study, which alleged that French plants were more productive than those in Germany. According to Jean François Knepper, co-president of the European works councils and member of the trade union Force Ouvrière (FO): "When one seeks to reorganize on an even and fair basis, one should take into account who has already contributed most to performance."

The head of the German works councils, Rüdiger Lütjen (IG Metall), responded in kind. He called Knepper's statement "insolent" and added: "The German Airbus works are at least as productive as the French, and even in part more productive."

There could be no better boost for the plans of management than this competition to prove who has "performed best" and works more cheaply. It makes a complete mockery of the most elementary principles of international solidarity. And this in a company where French, German, English and many other workers work closely together and in many cases have even moved to a neighbouring country for the sake of their work.

Neither the German nor the French trade unions have raised the demand for the unconditional defence of all jobs—the only demand that could weld together affected workers across all borders. They have carefully ensured that protest strikes and demonstrations held at different locations remain separated from one another, and they have sought to prevent any sort of action that would directly affect the operations of the company in its competition with Boeing. Now they have planned a half-day strike at all Airbus locations and a joint European demonstration in Brussels on March 16, but their call has a predominantly symbolic character and is aimed at covering up their real role.

Pledged to the well-being of the enterprises they serve, and thoroughly hostile to a socialist perspective, the trade unions have long since completed their transformation into co-managers inside the big companies. Under the pressure of global competition and the constant threat to switch jobs to low-wage countries, they see their job as the defence of their own "location" by ensuring increased profits for the company in which they work.

This development can be observed amongst trade unions all over the world. Only recently, the works council at the German Volkswagen company agreed to longer work hours without a corresponding increase in pay in order to ensure the transfer of production of the company's Golf model from Brussels to Wolfsburg in Germany. The VW Forest factory in Brussels is now being gradually wound down.

A break with the trade unions and works councils is the basic condition for the defence of jobs at Airbus. The workforce must set up independent defence committees that establish contact with one another and turn to the entire European working class. Such committees must also make contact with Boeing workers. Aero workers in Europe and America must ensure that they are not divided and played off against one another. A struggle that draws together workers on both sides of the Atlantic is the only basis for an effective struggle against the "Power 8" plan.

The building of defence committees against mass redundancies and cuts in wages and benefits must be joined with the elaboration of a socialist, internationalist perspective, which proceeds from the international character of modern production and the common interests of all workers worldwide. Such a perspective aims at a socialist transformation of society, subordinating the profit interests of big business to the social interests and needs of the working class, the vast majority of the population.

We appeal to all Airbus workers and to all those who support their fight and want to build defence committees at their own workplaces. Establish contact with the editorial board of the *World Socialist Web Site* (WSWS) and discuss these questions with your colleagues.



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Socialist Equality Party visit:

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