

# Broad rejection of Verdi deal at Lufthansa

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Nearly fifty percent of Verdi members at Lufthansa, Germany's largest airline, have voted against the deal struck by their trade union one and half weeks ago. The ballot result announced on Wednesday revealed that just 51 percent of union members had voted for the contract. According to undemocratic German labour law, a minority of only 25 percent in favour of a contract is necessary for its acceptance.

Chief Verdi negotiator Erhard Ott ignored the large percentage voting against the deal and commented curtly that the result showed "that the majority of employees accepted the result." The fact remains that despite an intensive campaign by the union, it was unable to convince a significant majority of its members to support the contract. During the past week, as the strike ballot was being held, Verdi officials were active in distributing leaflets at Germany's main airports that sought to put the contract agreed by the bureaucrats in the best light.

Over 90 percent of Verdi members at Lufthansa had originally voted for strike action in pursuit of a claim for a 9.8 percent wage increase to run one year.

In the event, the deal agreed to by Verdi was well below this target. The contract envisages a pay increase of 5.1 percent for 2008 (backdated from July) and a further 2.3 percent in 2009 with the total contract due to run for 21 months. In reality, this is only slightly more than the offer made by the airline prior to the strike (6.7 percent over 21 months). On a year-by-year basis, the deal is roughly equivalent to the current rate of inflation and does nothing to compensate for the stagnation of Lufthansa employees' wages in recent years.

During its five days of strike action, Verdi was obviously intent on limiting the impact on the airline. Instead of concerted strike action, the union concentrated on isolated activities at a select number of airports. Nevertheless, despite the best efforts of the union, the strike began to bite and led to an increasing

number of cancelled flights. At this point, the union threw in the towel and hurriedly struck a deal with the Lufthansa management.

It came as no surprise that many Verdi members reacted angrily to the deal struck by their leadership. Opposition to the contract was especially pronounced amongst mechanics who are heavily organized in Verdi, and had supported the strike with a virtual hundred percent turnout. Many of these Verdi members made clear that they would quit the union should the contract take effect.

The current Verdi contract applies so far only to ground personnel. Verdi members amongst cabin personnel have been offered the same deal, but only under the condition that cabin crew organised in the rival Ufo union accept the same terms. The Verdi leadership has already announced its readiness to enter talks with the Lufthansa management and Ufo officials. The role of Verdi is clear. In the name of a "unified contract," the Verdi bureaucracy will exert pressure on Ufo to accept the same deal. Ufo currently represents far more cabin personnel than Verdi and has indicated it will not accept the Verdi deal. Ufo has put forward its own claim for a 15 percent wage increase.

The rapidly struck deal by Verdi two weeks ago contained a further advantage for Lufthansa. It meant the strike action by ground personnel could not coincide with the strike planned by pilots belonging to the Cockpit union, which began a few days after the conclusion of the Verdi contract talks. Pilots employed by Lufthansa subsidiary Cityline walked out on August 6. Around 1,100 pilots struck for 36 hours, leading to the cancellation of nearly one thousand flights. The pilots at Cityline are seeking the same wage scale as their colleagues working for the parent company. Despite similarly arduous working conditions, Cityline pilots are paid up to 20 percent less than Lufthansa pilots.

The strike, August 6 to August 8, forced Cityline to cancel approximately 90 percent of its flights. The Lufthansa subsidiary operates a daily service of around 400 airline connections in Germany and Europe.

At the end of the three days of strike the parties were unable to reach an agreement and the union will meet in the next few days to discuss the possibility of further action.

As was the case with the ground personnel, Lufthansa submitted an original offer to Cityline pilots that amounted to a provocation. The company offered a lump sum and a salary increase from July 2008 of just three percent, with a further 2.5 percent as of January 2009.

The chief executive of Lufthansa, Wolfgang Mayrhuber, then demanded that pilots accept the offer, threatening redundancies if the union did not drop its demands. In pursuing their action, Mayrhuber warned, pilots were “sawing away at the branch on which they sat.” While Mayrhuber lectures the pilots to exercise restraint with their demands, he was quite prepared to award himself and two other members of the Lufthansa executive committee a whacking salary increase of 48 per cent.

At the same time, the company has been able to rack up record profits. In the first half of this year, Lufthansa’s operational profits rose by 45 percent to 705 million euro with a record turnover of 12.1 billion euro. In 2007 the company notched up the record sum 992 million euro in profits—partly due to the selling off of some assets.

Lufthansa is keen to reach a settlement with Cockpit before Lufthansa pilots organised in Verdi begin possible strikes. The Verdi pilots are demanding more representation in the company to pressure for better wages and working conditions.

Confronted with the growing militancy of airline workers Mayrhuber made a personal appeal for help from political circles. There was an “urgent need” to solve the problem of “competing trade unions,” Mayrhuber declared. In many branches, including the railways, there was a growing tendency for competing unions to “mutually out-do one another” with regard to demands, he complained.

The demand by the Lufthansa management is equivalent to a vote of confidence in the type of “unified contract” reached so often by the Verdi

bureaucracy and guarantees that only one trade union, in the pocket of management, can represent employees and negotiate at large companies.

Mayrhuber’s demand was immediately taken up by politicians from all parties. Both the Social Democratic (SPD) economic spokesman Rainer Wend and economics expert Wolfgang Franz demanded restrictions on autonomy in contract bargaining and the right to strike. Wend told the German press that it was “no longer tolerable for the economic situation in Germany” when competing unions sought to “out-do one another,” as was the case at Lufthansa and recently at German railways.

In his interview Wend recommended the passing of a constitutional amendment permitting the restriction of autonomy in contract bargaining “that allows just one trade union to set the pace in the realm of wage deals,” which should then apply to all relevant groups of workers. Wend then went on to call for a legal ban on warning and sympathy strikes.

Strikes should only be allowed “only at the end of the peace obligations and only when there is no other means of obtaining an agreement,” Wend told the *Stuttgarter Nachrichten*. In his opinion the decision by the Federal Labour Court to ease restrictions on strikes and permit warning and sympathy actions was “incomprehensible.” The “legislature must intervene and correct this senseless jurisdiction,” he advised.



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