

A global political strategy for Qantas workers

James Cogan
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Last Saturday's grounding of the entire global fleet of Qantas Airways, some 48 hours ahead of a planned lock-out of its workforce, has placed the Australian-based company at the forefront of an international offensive against airline workers. In every part of the world, jobs, wages and conditions are being slashed as rival carriers cut costs and fight to maintain profitability amid an escalating global economic crisis. The emphasis everywhere is gaining market share in the Asia-Pacific, the only region where passenger numbers are still growing at significant rates.

Qantas management has been denounced in various quarters as "un-Australian", implying that Australian companies have no need to carry out the same ruthless attack on their workforces as their international rivals are implementing. In reality, Qantas is being driven by the same global demands for competitiveness that lie behind the vast restructuring taking place everywhere, particularly in those airlines that code share their flights as part of the OneWorld alliance—of which Qantas was a founding member in 1999.

At present, the OneWorld carriers are losing the global war for market share. The international alliance is the smallest in terms of partners, destinations and passengers. The members of rival networks StarAlliance and SkyTeam have grown at OneWorld's expense, in part because they secured partnerships with the major airlines in China and sidelined the group in the fastest growing international market. The rapid expansion of Middle Eastern carriers such as Emirates, Qatar and Etihad, which have vastly lower fuel costs and overheads, has also had a major impact.

The OneWorld airlines have all undertaken desperate cost-cutting over the past three years, in some cases to avoid outright collapse. In North America, American Airlines has eliminated nearly 10,000 jobs since 2008 and slashed flight numbers. Mexicana Airlines went bankrupt and closed down completely last year. In Europe, British Airways and Iberia Airlines have merged, shed jobs and slashed working conditions to try and stem massive losses. In Asia, Japan Airlines survived bankruptcy in 2010 but is eliminating close to 20,000 jobs—more than 40 percent of its workforce. Hong Kong-based Cathay Pacific has reduced services after suffering major losses.

While the Qantas Group is profitable overall, it claims that its international division is losing \$200 million a year. Its share of flights to and from Australia has fallen over the past decade, from 35 percent to barely 20 percent. Its main domestic rival, Virgin, now has code-sharing arrangements with Etihad and StarAlliance members Singapore Airlines and China Air. Virgin is seeking to join the StarAlliance—the largest global network—and further expand its international and national business at Qantas's expense.

Qantas's solution—with the backing of its OneWorld partners and assistance from the Australian Labor government—is to transfer the focus of its international operations from Australia to a major hub in Asia. It has applied for a license to establish a new premium airline in Singapore that will have far lower costs and will focus on offering flights throughout Asia, and to China in particular. A growing proportion of flights between Australia and Asia will be handled by Qantas's stable of low-cost Jetstar subsidiaries in Australia, Singapore, Vietnam, and, from next year, Japan. Jetstar—a 100 percent Qantas subsidiary—is slated to join OneWorld in the next several years so it can code-share with other carriers in its own right.

Qantas itself will downsize its international services, focus on the most profitable routes and concentrate on defeating challenges by Virgin to its highly lucrative business class domestic operations in Australia.

The obstacle to implementing this global strategy has been the tens of thousands of Qantas workers in Australia who face continuous job cuts within the new corporate structure, as Qantas-badged operations are eliminated. Across the company, workers know that the 1,000 job losses announced in August, on top of 1,750 axed three years ago, are only the start.

The grounding of the airline was a premeditated and ruthless decision by Qantas management to suppress their opposition. For close to a year, three trade unions representing the company's pilots, engineers and ground staff have been conducting limited action over the terms of new workplace agreements. The main issue in dispute has been a demand for "job security" clauses that obligate the company to pay non-Qantas subsidiary or contractor staff the same wages and conditions as Qantas employees, if they perform Qantas-associated work.

Qantas management has refused to even entertain such restrictions, which would stand in the way of its entire restructuring agenda. Last Friday, at the company's annual general meeting, this agenda, advanced by CEO Alan Joyce and his board, was endorsed by the investment funds and financial institutions that own the airline. The lock-out of the workforce went into effect at 5 p.m. the following day, and the other members of the OneWorld alliance immediately declared their support.

The grounding was openly intended to trigger a government intervention that ended all action by workers. Under the Labor government's Fair Work Australia (FWA) industrial regime, the "bargaining period" between workplace agreements is now the only

time when workers have the legal right to take industrial action. Once a deal is in place, large fines can be levied on individuals and organisations for any “unlawful” activity.

FWA grants the government sweeping powers to end any industrial dispute on the grounds that it could “endanger the life, the personal safety or health, or the welfare, of the population or of part of it”, or “cause significant damage to the Australian economy or an important part of it”. The government can do this either through a direct ministerial order or via the industrial court.

Gillard invoked these powers on Saturday evening in response to the Qantas grounding. She summoned an emergency sitting of the FWA industrial court to hear a government submission that it terminate the dispute and order compulsory arbitration. She chose not to use the still-untested FWA clause that enables the government to issue a unilateral ministerial directive outlawing disputes.

The three FWA judges ruled in favour of the government, delivering Qantas exactly what it wanted. All “bargaining” has ended, and with it the ability of workers to legally take industrial action. If the company and unions cannot agree to new deals within 21 days—with a possible 21-day extension—the court will impose them. The workforce will then be straitjacketed for at least the next three years while the company carries out the transfer of its operations to Asia.

Across Australia, major employers now anticipate that a provocative lock-out of their employees—a “right” they enjoy under FWA—will trigger a similar intervention by the Labor government. Sectors where bitter class battles are looming over demands that workers accept job and wage cuts in the name of “international competitiveness” include the waterfront, Toyota, Ford and the car component industry, the steel mills and BHP-Billiton’s Queensland coal mines—to name only the most prominent. The over-riding objective of the corporations involved is to reduce working conditions to the ever lower benchmarks being forced on workers around the world.

Workers can only fight the agenda of the major corporations and financial institutions with their own global strategy and with new organisations.

The unions are not a means to defend workers’ interests. For 30 years, they have served as the primary agency of the ruling elite in imposing corporate demands for “international competitiveness” on their members. At the same time as they have been demagogically demanding “job security” from Qantas management, they have, behind workers’ backs, been offering the company support for the ever greater use of contract labour and other cost-cutting measures. Their sole concerns have been ensuring that the airline workforce—regardless of its wages and conditions—is compelled to stay in the union and pay dues, and that union officials are retained as the company’s industrial police force.

A definite sense of relief exuded from the Australian Council of Trade Unions (ACTU) head Jeff Lawrence as the FWA convened on Saturday to close down the escalating Qantas dispute. He hailed Labor’s court as the “independent umpire” and pledged that the unions would ensure workers abided by its verdict. There is, in reality, nothing neutral about the FWA. Its express purpose is to enforce

corporate demands for productivity and uphold the interests of the Australian corporate elite.

The unions—thoroughly pro-capitalist apparatuses—will do everything to prevent a struggle by Qantas workers, or any other section of the working class, against this corporate agenda and in defiance of the FWA’s industrial laws. Such a conflict would immediately become a direct political fight against the Labor government, the courts and the entire edifice that defends big business and private wealth. It would pose the need for the establishment of a workers’ government that stripped the tiny financial elite of their grip over the banks and major corporations like Qantas, and placed them under public ownership and democratic control.

Qantas workers cannot take a step forward without launching a rebellion against the trade unions. The most urgent need is to establish independent rank-and-file committees that make a conscious appeal to workers at Qantas’s Jetstar franchises, at Virgin Airlines, at its OneWorld partners in Asia, Europe and America, and at airlines everywhere, for a coordinated global struggle in defence of jobs and for decent living wages and conditions internationally. The subordination of economic life to the demands of profitability and the obscene enrichment of a minority must be ended.

The alternative to the corporate agenda of levelling working conditions to the lowest common denominator is the socialist reorganisation of the world economy in the interests of the working class. The airline industry, along with the global financial institutions and every other key sector of the world economy, must be taken out of private hands and rationally planned to provide for the social needs and rights of the population as a whole.

The Socialist Equality Party fights for this perspective and for the development of the independent, international revolutionary mass movement of the working class that is necessary to realise it. We urge Qantas workers, as well as those in every other industry who recognise the need for this new global political strategy, to contact us.



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