Lufthansa pushes ahead with job cuts

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Lufthansa management has significantly stepped up its offensive against its workforce. Earlier this month it announced that from 2013 all German domestic and European flights that do not start or land at the two hubs in Frankfurt and Munich will be taken over by its subsidiary, German Wings. Pilots and cabin staff at German Wings receive 40 percent less pay than their counterparts in the parent company.

Then, on October 26, the company announced that its regional partner, Augsburg Airways, which handles routes to and from Munich, will cease operations at the end of next summer. At the start of the current timetable, Lufthansa had already taken over the flights of its regional partner, Contactair, with the resulting loss of 90 jobs at Contactair and a total of 500 jobs at Augsburg.

Jobs are also being shed in corporate administration. Last May, the Lufthansa executive group announced plans to cut 2,500 administrative posts in Germany alone in the coming years, plus another 3,500 of the company's 17,000 global workforce. Late last week, Lufthansa executive member Stefan Lauer revealed the first details of the company plan in its employee magazine, *Lufthanseat*.

In 2013, the company plans to outsource 1,100 jobs in service centers (“Global Business Services”) to Poland, Mexico and Thailand, including 700 in Germany. The plan is to be presented to the board in early 2013 for approval. Following agreement, the first slate of jobs could be outsourced in the first quarter of next year. The company finance officer added that layoffs could not be excluded in the process of outsourcing.

In the German city of Norderstedt, where rumors have been circulating for some time about layoffs, the managing director of Lufthansa Revenue Services (LRS), Reinhard Schäfer, told his 407 employees on Monday that they could expect “drastic measures” during the next two years.

The LRS works council head, Klaus Kahlcke, was even more explicit. “I estimate that it could hit about 300 people,” he told the *Hamburger Abendblatt*. “If you then add those companies which are directly and indirectly dependent on Lufthansa and work on our premises, then at some point, all staff could lose their jobs. That would affect a total of 800 workers at Norderstedt.”

The current offensive by the Lufthansa Group comes as no surprise. At the end of September, CEO Christoph Franz announced to the media that his company planned even more drastic cuts than those previously announced. He made clear that the company had fallen behind this year in achieving the targets of its “Score” austerity program, which aims to boost company profits by €1.5 billion by the year 2014.

The announcement of more job cuts takes place just weeks after cabin crew held their first nationwide strike since the postwar re-founding of Lufthansa in 1954. Although the strike clearly demonstrated the militancy of workers, affecting more than a thousand flights and paralyzing much of the country’s air traffic, the cabin crew trade union, UFO, quickly moved to shut down the strike in favor of arbitration proceedings with company management.

The fact that parallel to the arbitration process Luthansa management is now pressing ahead with its plan to reorganize the company at the expense of workers is a provocation and a deliberate show of force. This would not have been possible without the ending of the strike by the union leadership.

The extent to which the millionaire CEO of Lufthansa can rely in future on the cooperation of the unions is shown by the latest comments by trade union representatives. The district head of the Verdi trade union in Kiel, which also represents air personnel in the region, made clear to North German radio that she was not in principle opposed to redundancies in Norderstedt. Rather, Sabine Flechtner said what were needed were “alternatives ... regarding the scale of the job cuts.” This would be “explored in the coming days and weeks.”

The UFO flight attendants’ union has notably failed to comment officially in recent weeks on the latest developments. The attitude of the union, however, is summed up by a comment made by its chairman Nicolay Baublies. Within the context of the current arbitration process he called upon the management of Lufthansa to seriously consider the proposals submitted by UFO. Rather than providing a safeguard for jobs and wages, the union proposes cuts precisely in the sphere of personnel costs, yielding the company savings of 8 percent or €72 million per year.