

Lufthansa pilots in Germany walk out again

Dietmar Henning
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The German pilot union, Vereinigung Cockpit or VC, called out Lufthansa pilots for further strike action on Monday and Tuesday, and another walkout is planned for today. After negotiations between the pilots union and Germany's largest carrier failed on Saturday night, VC announced the ninth strike in the ongoing dispute.

On Monday at noon, the Lufthansa pilots on short and medium length flights went on strike. By Tuesday, the strike was extended to include long distance flights. It ended after 36 hours at midnight. Flights out of Frankfurt and Munich to destinations in Europe and within Germany were most affected. Lufthansa was forced to cancel about half of its 2,800 flights, affecting 150,000 passengers.

The union announced another strike would be launched today after the company's board of directors approved the expansion of its budget carriers--Germanwings and Eurowings--which Lufthansa said would add long-haul flights next year.

The dispute is reportedly over a transitional retirement plan and wages for approximately 5,400 pilots at the carrier. In reality, the pilots' union and the airline company are reportedly close on these issues.

It is already nearly impossible for Lufthansa pilots to retire at age 55. The contract has "already been modified repeatedly (most recently in 2010) with our consent," VC said in a statement.

Currently, the average age of all the pilots retiring over a five-year period must be 58 or over. If the average falls below 58, pilots looking to retire will be compelled to continue working. In 2013, VC said that the average was already over 58 "and that is the case, although, thanks to a wage contract provision in effect until 2012, it was not possible to continue to work over the age of 60."

The real issues are the cuts planned by CEO Carsten Spohr who wants to restructure the company and slash long-term personnel costs. In contract disputes,

however, strikes are only legal if they are over the implementation of contract requirements or after the expiration of a labor agreement. Otherwise, Lufthansa has a legal right to claim compensatory damages from VC.

Under the competition of budget carriers such as the Ireland-based Ryanair and state subsidized airline companies, particularly from the Arabian Peninsula, Lufthansa wants to expand the operation of its own low-cost subsidiaries, Germanwings and Eurowings, which will add long-haul flights next year. To this end Lufthansa is renting seven Airbus A330 planes. These three companies are supposed to be overseen by a holding company outside of Germany, in order to compete with international rivals. The struggle over pricing is being shifted onto the backs of airline workers through job and wage and benefit cuts.

Barely one quarter of the company's fleet will fly under the new "Wings-Holding." However, the company's wage contract will not be valid for the employees there.

While pilots at Germanwings receive the same pay cabin crews already work for less. The Eurowings pilots are no longer included in the company wage contract and earn less money than their Lufthansa counterparts. Both subsidiaries have undercut the mother company by 20 percent in cost savings.

Lufthansa also plans to abolish the pension plan for newly hired pilots. In the future, they will be expected to personally save up for early retirement. Through the expansion of a two tier pilot workforce, the group of those who still receive company wage contract payments would diminish more and more. Out of the more than 9,000 Lufthansa pilots, barely 5,400 still receive such payments.

That is still not enough for the company's top executive. Lufthansa intends to use fourteen leased airplanes under the project name "Jump," which serves

destinations Lufthansa would otherwise no longer serve. The leased airplanes are due to be flown by pilots who work for the leasing companies at the lowest pay. In addition, they are supposed to have smaller cabin crews. Cockpit reports that the company is putting heavy pressure on Eurowings pilots to accept even worse contract conditions.

One of the largest asset managers is Blackrock in the United States. With 5.43 percent, the company is the largest single shareholder of Lufthansa. Such investment firms demand returns of at least eight percent.

The German online edition of the *Wall Street Journal* quotes Dirk Schlamp, “equity analyst” at the DZ Bank, who said, “Spohr cannot retreat. He has to implement the new rules and the transitional retirement plan. The capital market would react to a retreat in a very negative way.”

Lufthansa stock has fallen about 4.6 percent this year, while the DAX stock market added 4.3 percent, the website explained. “In order to stand up to the competition of cheap flights in Europe, Lufthansa has to stay firm and carry out its plans.” It says there is nothing left for Spohr to do but stay the course until he has brought the pilots in line.

In the face of this VC has offered no way forward. On the contrary, it has repeatedly offered its service to lower labor costs while infusing as many divisions among workers at Lufthansa and its subsidiaries, not to mention pilots and other airline workers at other international carriers facing the same struggles. “Regrettably, Lufthansa management has not taken up the compromise suggestions of VC and continues to insist on maximal demands,” complained Cockpit. Union officials have repeatedly pled for a “contractual partnership” with company executives.

Lufthansa is determined to take on the pilots and all workers. In 2004 it agreed to pay pilots at its low budget operations the full contract wage. However, due to the “dramatic competition situation,” the company has ditched this pledge.

This attack has the backing of all the big business government parties. The deputy head of the board of directors is Christine Behle (Social Democratic Party, SPD). She sits on the federal board of the service union Verdi and replaced Verdi head Frank Bsirske (Green Party) on the Lufthansa board of directors a year and a

half ago. Bsirske helped carry out company cuts and Behle will not act differently.

The attack by Lufthansa is part of a series of attacks on airline employees internationally at the behest of the financial markets. These attacks cannot be defeated on a national basis. The pro-capitalist and nationalist perspective of the VC, based on partnership with the corporations and the government, stands in the way of a united struggle by pilots throughout Europe and internationally. A genuine fight is only possible if rank-and-file pilots and other workers take the conduct of the struggle out of the hands of VC and the other unions.



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