

Strike by Lufthansa pilots continues

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The strike of Lufthansa pilots has intensified since the beginning of the week. On Wednesday, the pilots' union Cockpit decided to continue the strike on Thursday, Friday and Saturday. This is the twelfth series of strike actions that have taken place since the industrial dispute began.

On Wednesday, short- and medium-haul pilots took action. On Thursday, the strike then hit long-haul flights and Lufthansa Cargo. On Friday, short- and medium-haul planes were again affected. Pilots working for the two large Lufthansa subsidiaries, German Wings and the long-haul budget airline EuroWings founded last autumn, were not included in the strike.

Hundreds of flights were cancelled at major hubs. In Frankfurt, 480 flights were cancelled on Wednesday; in Munich, 129 takeoffs and 143 landings did not take place. At many other airports domestic flights to Frankfurt and Munich were cancelled, as well as about 50 flights at Berlin Tegel Airport. Overall on Wednesday some 750 flights, just over half the usual 1,400 daily flights, were cancelled.

Lufthansa had previously cancelled a negotiating meeting scheduled for Tuesday, tabled to discuss a collective agreement covering approximately 5,400 pilots. For months, the pilots have met with intransigence on the part of Lufthansa. The management want to force the pilots to submit and make an example of them in order to push through worse conditions for the other 110,000 staff.

A year ago, on March 20, 2014, pilots had voted in a ballot by 99.1 percent for strike action to defend their incomes and pensions against radical cuts. Since then, management has refused to negotiate seriously and is attempting to isolate the pilots and put them under massive pressure.

Politicians and the media are conducting a systematic campaign against the pilots' collective struggle, accusing them of defending "privileges". It is necessary once again to make clear that the pilots' demands are fully justified.

The current strike concerns transitional early retirement rules. These have been systematically eroded over the last

decades. Originally, it was possible for a pilot who reached the age of 55 to take early retirement or work part-time. In 2013, however, the threshold for the rules to apply had increased to 59 years old, although the 2012 contract meant it was not possible to work beyond age 60. The transitional rules would not apply to newly hired pilots.

However, the pilots' anger is aimed primarily against the cuts plans by Lufthansa CEO Carsten Spohr. Some months ago, Spohr justified his plan to restructure the company and to reduce the personnel costs through transferring out permanent staff in order to deal with increased price competition in international air travel. The crash in oil prices during the past few months has increased the pressure on Lufthansa.

Lower oil prices should mean lower air fuel costs. However, Lufthansa used complicated financial transactions to hedge against rising costs for kerosene, which are now proving to be expensive. Given the large proportion fuel costs account for in the overall balance sheet of an airline, airlines based in the oil-rich regions, such as the Arab Emirates, industry giants enjoy significant advantages, aggravating the competition.

For example, when Spohr presented the preliminary annual report in February, he had to admit that despite Lufthansa making an operating profit of €954 million, according to German accountancy practice this was in fact a €732 million loss. When Spohr said this meant the shareholders would not receive a dividend, the value of Lufthansa shares fell by 5.4 percent.

The subsidiaries GermanWings and EuroWings are to be built up in the price war with the low-cost airlines, such as Irish company Ryanair, and with the state-subsidised airlines of the Arab peninsula, and supplemented by a long-haul company. Lufthansa plans to purchase seven Airbus A330' for this purpose. Via a holding company, these three companies would then be taxed outside Germany to fight off the international competition. The price war is being conducted on the backs of the employees.

The existing company-wide contract is being eroded. Old-age care for newly hired pilots is to be abolished. In future, they will have to save for their early retirement, which equates to a massive wage cut. The extension of a two-class system among the pilots means those paid under the existing company contract will become fewer and fewer. Today, there are some 5,400 Lufthansa pilots out of more than 9,000 paid under the company contract.

But the plans for cuts go even further. Up to 14 leased aircraft will be used by Lufthansa under the “Jump” brand to serve destinations to which the company would otherwise not fly. The leased aircraft would be flown by pilots employed by the lessor, at lower rates of pay. There will also be fewer cabin staff. Moreover, the company has put the EuroWings pilots under massive pressure to accept even worse conditions.

It is to be expected that Spohr intends to push down all pilots’ wages to the level of their EuroWings colleagues, or even lower. In February, Lufthansa directors Karl Ulrich Garnadt and Bettina Volkens wrote to the workforce explaining the wage level the management was aiming for. They complain that the wage level of employees paid under the company contract is more than 40 percent above those working at EasyJet and Turkish Airlines. “Of course, our personnel costs cannot remain permanently and considerably above the level of the competition,” their letter says.

Cockpit complains about this blackmail, but has done nothing to oppose it. According to spokesman Jörg Handweg, the sector union is not trying to “hinder strategic business decisions.”

“Those who regard every contract as a restriction on entrepreneurial freedom are labouring under a misconception that makes the conclusion of new agreements de facto impossible,” he added.

Again and again, the pilots’ union has offered to collaborate with the management. For example, Cockpit helped Lufthansa cement the low wages at EuroWings. Under the collective agreement, a young EuroWings captain earns €77,000 a year, almost €60,000 less than a colleague at Lufthansa. Overall, wages at EuroWings are about 40 percent lower than at Lufthansa.

Cockpit supports the capital market orientation of management, but is demanding a “collective bargaining partnership.” This nationally limited and business oriented outlook of Cockpit means the union does not dare call things by their name and say openly that the attacks by Lufthansa on the pilots are part of the international attacks by the airlines on their employees at

the behest of the financial markets.

Throughout Europe and the world, similar struggles are taking place. At present, air traffic controllers in Italy are also undertaking strike measures. Last year, pilots in France conducted a bitter dispute that was broken off by the union at precisely the point it had developed into a struggle against the Hollande government.

Instead of mobilising employees at all the European and international airlines in a common struggle, Cockpit is trying to push the Lufthansa management into closer cooperation and a “collective bargaining partnership” through limited pinprick tactics and selective strikes.

Two of its functionaries sit on the Lufthansa supervisory board. Last year, Ilona Ritter, chair of the union’s contract policy department, and Stefan Ziegler received over €100,000 for their duties on the supervisory board.

The ten so-called employee representatives on the supervisory board play a key role in agreeing and implementing Spohr’s cuts plans. Deputy head of the supervisory board Christine Behle (Social Democratic Party) is a member of the federal executive of the service union Verdi, replacing Verdi boss Frank Bsirske (Green Party) 18 months ago on the Lufthansa Supervisory Board. Bsirske had supported all the cuts.

A year after the pilots began their industrial dispute, and following 12 limited strike actions, it is time to take stock. The nationally limited politics of Cockpit based on collaboration with management (social partnership) prevent the necessary European-wide and international struggle by pilots alongside all airline workers.



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