

Behind the airline workers strike at Alitalia

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More than 2,000 pilots and cabin crew went on strike at Italian airline Alitalia for eight hours on 20 March. This coincided with a work stoppage by all employees at the Meridiana Airline on the island of Sardinia and an eight-hour strike by air traffic controllers at the airline safety agency ENAV in opposition to privatisation. Around 300 flights were cancelled at Italian airports and all airline travel was subject to major delays. A further 24-hour strike has been announced for 7 May.

The immediate reason for the strike was the failure of contract talks between management and several unions (Utrasporti, Anpav, Anpac). However, this takes place in the context of a bitter global cost-cutting drive at the expense of airline workers.

While the airlines fight out this conflict globally, with the world's largest firms assuming control of smaller competitors, the unions pursue a purely national strategy, generally ending up supporting the cost-cutting programmes against their own members in the interest of competitiveness. Alitalia exemplifies this process.

Although representatives of the European Cockpit Association (ECA), which represents pilots from 36 countries, travelled to Rome to give their support to the Italian pilots' union Anpac, this was merely to convince Alitalia "that a productive, positive relationship with a professional pilots union is the most effective way to succeed in today's marketplace."

On the same day, 20 March, pilots at German airline Lufthansa were also on strike, with no co-operation with the strike at Alitalia. Yet in both cases very similar issues are involved: the defence of working conditions and wages against the direct attacks of management and its strategy of outsourcing to budget airlines.

While Lufthansa justifies its cost-cutting measures citing competition from cheap airlines like Ryanair and Easyjet, and well-financed Arabian carriers like

Emirates and Etihad, Alitalia has already been taken over by Etihad. The Arabian airline based in Abu Dhabi has controlled 49 percent of the company's stock since last summer, rebranding the firm as Alitalia SAI Società Aerea Italiana.

Management of the newly-founded firm is dominated by old industry captains of Italian big business and a representative of Etihad. The president is Luca Cordero de Montezemolo, a long-time head of Fiat, Ferrari and Maserati. The chairman of the board is Silvano Cassano, former chief executive at Bennetton, and the vice president is James Hogan, the representative of Etihad.

Since Etihad's involvement began on 1 January 2015, there has been no contract agreement for the workers. The striking workers are demanding that the wages at regional airline CityLiner be aligned with those at the main concern, and that the payment of an additional month's wages be reintroduced, which was eliminated to unburden the financially troubled company.

However, the primary source of the conflict with workers is the refusal of the airline to abandon so-called "wet leasing". Under this practice, not only aircraft from other companies, but also their crew are leased and paid according to the cheaper wage agreements of the external firm.

Although Cassano explained that management did not intend to outsource parts of Alitalia to external providers, this practice has been apparently taking place at Alitalia for years. Two years ago, the unemployed Ivan Mosenghini, who had previously worked as a pilot with Alitalia for 26 years, wrote in a letter to the newspaper *Corriere della sera* that several aircraft flew "under a false flag." While bearing the Alitalia logo, in reality they belonged to a budget airline fleet.

Mosenghini made reference to a series of contracts reached by Alitalia with sub-contractors like the

Romanian airline Carpatair. These companies paid workers as much as 40 percent less than the main company. In so doing, Alitalia was abandoning “the professionalism of hundreds of pilots.” By using the Alitalia logo, Carpatair deceived passengers “who are being led to believe that nothing has changed.”

One cost-cutting drive has followed another at Alitalia over recent years. After the Second World War, the airline was state-owned and administered by ERI, the Institute for Industrial Reconstruction until it was gradually privatised in 1990. But until the financial crisis of 2008, the Italian economy and finance ministry still owned half of the company’s stock.

Then, in the autumn of 2008, a consortium of companies and banks took over the airline, which was practically bankrupt. This was arranged by Silvio Berlusconi, who was Prime Minister for the third time at the time and had made the election promise to save the national airline. He blocked a planned takeover by AirFrance by permitting the takeover of the most profitable parts of the company by the banks IntesaSanpaolo and UniCredit and firms Fiat, Benneton, Piaggio and steel firm Riva, while the debts remained with the state. Berlusconi re-wrote Italian bankruptcy law to achieve this goal.

This resulted in the emergence of Alitalia CAI (Compagnia Area Italiana), which controls the remaining 51 percent of Alitalia today. At the beginning of 2009, 5,000 jobs were cut, from a total of 20,000. But even after this, the airline did not emerge from debt and continued its search for a global partnership with Air France, KLM, Lufthansa, Delta Airlines, and ultimately Etihad.

The takeover of 49 percent by Etihad resulted in a further restructuring and the destruction of jobs. This has been the outcome at every airline that Etihad has invested in. Since Etihad invested in Air Berlin in 2011, over 1,000 jobs have been cut. Air Serbia has lost 333 and Air Seychelles 250 jobs.

Etihad’s investment in Alitalia brought about the laying-off of 240 pilots and 750 cabin crew. The subsidiary AirOne airline was shut down in autumn 2014. Alitalia and AirOne employed 2,500 pilots ten years ago. Alitalia today employs just 1,300—barely half.

Wages have been reduced sharply since the 2008 privatisation. According to estimates by the newspaper

La Stampa, the gross wage of an Italian pilot at that time could reach €240,000. With the founding of Alitalia CAI, these wages were cut sharply and tied to actual hours flown. Since then, Alitalia pilots are paid directly just 30 percent of their wages, while the remaining 70 percent is made up by performance bonuses dependent on the number of hours flown.

This development is part of “a global tendency,” as Gregory Alegi, a teacher of airline management at Rome University wrote in the same *La Stampa* article. The wage structure guarantees a maximum of cost flexibility to the airlines, but compelled pilots to accept huge wage cuts if routes were cut or flights cancelled.

The trade unions supported this development in all essentials. In 2009, they agreed to the elimination of 5,000 jobs at Alitalia, and when Etihad came on board, they ensured that a planned strike was sold out.

The United Arab Emirates-based newspaper the *National* cited the head of the pilots’ union, Giovanni Galiotti, “We feel redundancies are really necessary. Our opinion is that it is wrong to blame Etihad for redundancies, because these redundancies are the fruit of the privatisation. Under the principle of saving people, you need to accept some loss.”

The recent crash of a GermanWings plane in the French Alps has given new urgency to the discussion of the working conditions faced by pilots. The catastrophe, which was likely caused by a co-pilot suffering severe mental health problems, demonstrates how important it is that there are sufficient numbers of well-rested, motivated and healthy pilots in the cockpit.

In light of this event, the struggle of pilots at Alitalia, Lufthansa and other airlines takes on a new dimension. They are defending their working conditions, wages, jobs and pensions not just in their own interest, but also for the benefit of airline passengers and society as a whole.



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