Lufthansa flight attendants union accepts arbitration agreement

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The Independent Flight Attendants Organisation (UFO) announced last Friday it had reached agreement with Lufthansa in an arbitration deal covering 19,000 cabin crew. The arbitration was led by former Brandenburg state premier Matthies Platzeck (Social Democratic Party, SPD). The media celebrated the fact that the danger of a new strike in the peak holiday season had now been avoided.

In reality, the agreement is declaration of war on flight attendants and all other air travel employees. At a decisive moment, UFO has stabbed its members in the back. For weeks, Lufthansa management has been conducting a massive attack on the rights and achievements of pilots, cabin crew, air traffic controllers and ground staff.

The arbitration award had been negotiated in strict secrecy since January, with the UFO leadership of Nicolas Baublies cynically saying their motto was “arbitrate and keep silent.” The contents of the deal are due to be revealed at a press conference this afternoon.

Matthias Platzeck was also the arbitrator in last year’s train drivers’ strike and ensured the GDL union signed a five-year standstill agreement, which will remain in force until 2020.

The danger is acute that behind the cover of a few superficial “successes,” UFO has agreed to a new contract that makes similar wide-ranging concessions. “As you know, more than 20 different themes ... were worked on and negotiated,” the UFO leadership told its members, who will now vote on the arbitration award.

In reality, UFO agreed a framework for the negotiations in January that presupposes concessions on pensions. UFO has thus abandoned pensions, the most important issue prompting flight attendants strike in December. UFO has agreed that in future, it is the employees and not the company that will have to bear the risk of interest rate movements affecting their pensions.

This was of particular importance for Lufthansa because of the present low interest rates. Since the 2008 financial crisis, it is no longer worthwhile allowing older crew members to take early retirement at 55, as was previously the case, and replace them with lower paid younger workers.

For airside staff, such changes will have a devastating impact, since the guaranteed company pension was an indispensable achievement. Like pilots, flight attendants are only rarely able to withstand the constant stress of air travel until they reach the official retirement age. Lufthansa is not offering them a job on the ground.

For ground staff, the service sector union Verdi had already made significant concessions in this direction in December 2015. Accordingly, new hires will only receive fixed annuity supplements, but not a guaranteed pension. Existing workers also have to make a personal contribution to their company pension. At the same time, Verdi agreed not to call any strike action before the end of 2017.

The Lufthansa board have been attacking ground staff for weeks. In December, CEO Carsten Spohr announced the goal of reducing costs by half a billion euros annually by the end of 2018. Since then, management have been pushing through spinoffs, wage dumping and downsizing.

At Lufthansa Cargo, the company intends to cut up to 800 full-time posts. As Lufthansa Cargo CEO Peter Gerber announced on June 10, personnel and service costs are to be reduced in the cargo subsidiary alone by €80 million annually.

At Lufthansa Technik, cutbacks are also the order of the day. In Hamburg, Lufthansa Technik employees

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confront layoffs and drastic wage cuts. In addition, Lufthansa wants to reduce staffing in its catering subsidiary LSG Sky Chefs by up to 2,400 jobs and cut the number of its locations in Europe from 23 to seven.

On May 13, the Lufthansa board announced the unilateral termination of the "collective agreement protection" for ground staff, which had been in place for decades. This had ensured that long-serving employees received equivalent replacement jobs in case of any spinoffs.

Just the fact that UFO has reached agreement with management in a tense situation in which thousands of Lufthansa employees—not to speak of those working in the supply chain—are faced with job cuts, outsourcing and wage cuts casts a harsh light on the role of the union.

Many flight attendants had joined the UFO sector union in recent years because they had completely lost confidence in the umbrella union Verdi. For years, Verdi has cozied up to Lufthansa management, collaborating closely with them in restructuring the company. As is now clear, UFO is no different.

Six months ago, UFO participated in the "Lufthansa Jobs Summit," which was aimed at involving all the relevant unions in the company restructuring. One of the summit's co-organizers was Christine Behle, a member of the Verdi federal executive and deputy chair of the Lufthansa supervisory board.

The Verdi leadership does not support the interests of the international working class, but of the German aviation corporations, which it defends against their global rivals. In April, in a press statement by the works council representatives covering German airports, Verdi functionaries said their most important goal was "strengthening Germany as a location for the air traffic industry and the maintenance of its competitiveness."

UFO shares this perspective. As a sign of the union's willingness to collaborate with Lufthansa, it called off its strike by cabin crew last December, so that it could participate in the "Jobs Summit." The strike, which had begun in November 2015, was considered one of the toughest labour disputes in Lufthansa's history. Flight attendants went on strike for six days in a row, grounding nearly 5,000 flights. Since then, the air travel unions Verdi, UFO and the pilots' union Cockpit (VC) have put all industrial action on hold.

Negotiations between Lufthansa and VC have been running for over two years, and the pilots have already stopped work 13 times.

Pilots and flight attendants are faced with the fact that Lufthansa intends to expand its low-cost subsidiary Euro Wings Europe GmbH. The German labour contract does not apply in Austria, where Euro Wings is based and, consequently, its employees face considerably worse conditions than at Lufthansa in Germany. Lufthansa is systematically increasing its Euro Wings personnel and plans to hire 600 new flight attendants and pilots there within two years. With Euro Wings, Lufthansa wants to go "toe to toe" with its Irish budget rival Ryanair, as Euro Wings CEO Karl Ulrich Garnadt has stated.

Lufthansa pilots also confront the issues of their company pensions, salaries and job security. But Cockpit also supports the nationalist and profit-oriented course of the other unions at Lufthansa. A year ago, in July 2015, VC declared its loyalty to the Alliance for Growth and Jobs, and agreed in advance to accept harsh cuts in pilots' salaries and pensions. It also accepted the principle of less favourable treatment for Euro Wings pilots.

According to the flight industry web site airliners.de, an agreement between Lufthansa and VC is expected by July 31. The site quoted a member of the VC bargaining committee saying, "If you don't hear from us, this is a good sign."

The German airline trade union struck its deal just a few days before pilots in Italy took strike action against cuts to employee benefits and the slashing of routes. On Tuesday, Alitalia announced the cancellation of 142 flights. In line with their perspective of "strengthening German competitiveness" the German airline unions, in common with their European counterparts that share the same nationalist perspective, are firmly opposed to any joint action to oppose attacks on airline workers.

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