

# Lufthansa makes new offer to striking pilots

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Following three days of strikes and an announcement that the work stoppage would be continued indefinitely, the Lufthansa board made a new offer to the pilots last Friday evening. According to the first reports, the offer provides for a pay increase of 4.4 percent, a one-time payment of 1.8 monthly salary and new hirings.

The offer of a one-time payment of nearly two months' salary just before Christmas is a lure, and is meant to break the resistance of the pilots and enable the pushing through of fundamental changes in their working conditions. In return, the pilots—like ground and cabin crew before—are being asked to agree to a company pension plan in which the employer only guarantees contributions paid, but will not vouch for later retirement payments. So far, this had been firmly rejected by the pilots.

The pilots union Vereinigung Cockpit announced on Friday night that it would not accept the offer. On Saturday, long-haul pilots went ahead with their announced strike. Out of consideration for passengers, however, no Lufthansa flights were halted on Sunday or Monday. On Friday afternoon, before receiving the new offer, Cockpit spokesman Jörg Handweg had announced, "There is no predetermined end date of the strike."

Since the strike began last Wednesday, pilots had repeatedly extended their strike. During the three previous strike days more than 315,000 passengers were affected by 2,618 flight cancellations. After being given notice of Saturday's strike, Lufthansa was forced to cancel 137 flights, including 88 intercontinental flights. On Friday, investors also responded to the strike. Lufthansa shares were one of the biggest losers on Germany's Dax.

However, this strike is only ostensibly about the salaries of 5,400 Lufthansa pilots. The last wage agreement expired in 2012, i.e., four and a half years ago. The new contract should have run until the end of

2018. For these six and a half years, the union is calling for an annual average rise of 3.6 percent. The management extrapolated this and was quoted widely in the media saying that a demand for a 22 percent salary increase was completely unacceptable.

So far, Lufthansa had offered a pay freeze for the first four years and a total of 2.5 percent for the period from 2016 to the end of 2018. This offer was a provocation, since it meant a real wage reduction for the pilots.

Behind the wages conflict, which has lasted since 2014 and resulted in 14 strikes, lies a more fundamental problem. Competition is fierce in global air transport, and Lufthansa CEO Carsten Spohr is determined to defend the company's profits against this growing competition, particularly from low-cost airlines such as Ryanair. For this reason, the company has targeted the compensation, pensions and transitional conditions of Lufthansa pilots in order to drastically diminish and abolish decades of achievements.

Lufthansa had already terminated a transitional agreement in February 2013. This had ensured a pilot could apply to retire from 55 and receive a transitional salary until their legal retirement age. This early retirement is not a privilege but a measure of aviation safety, since the pilot's profession is associated with constant stress, dealing with constant time differences, climate changes and permanently differing working hours. Very few pilots are physically able to endure this until they reach the state retirement age.

This transitional arrangement has been abolished for 55- to 60-year-olds and now only applies from the 60th birthday. At the same time, the company is converting the fixed occupational pensions into additional allowances. This is to force employees to fund their own pensions with a private account on the capital market, also bearing the associated risks.

The unions Verdi and UFO, responsible for ground staff and cabin crews, have already agreed to this

change. Now Lufthansa pilots and the Cockpit union are being put under massive pressure to do the same. As far as is known, this provision is to be enforced as part of the new offer.

In order to increase the pressure on Cockpit, politicians and the media are conducting a massive campaign against the strike and the demands of the pilots.

The secretary-general of the Federation of the German Tourism Industry (BTW), Michael Rabe ranted, “Each day of the strike will cost our industry a lot of money, customers and trust.” Like many others, he denounces the alleged “privileges” of the pilots, whose time has past. “The pilots refuse to recognise the new realities,” Rabe said. They are defending “outdated privileges from the last millennium” with disproportionate vehemence.

The headline in the tabloid *Bild* a week ago ran, “The luxurious privileges of Lufthansa pilots.” Television station n-tv quoted a fund manager saying, “It is outrageous to the customer to strike on an Advent weekend for an increase of luxury wages.”

The constant complaint that pilots are defending excessive privileges is fundamentally false and borders on slander. It is pure hypocrisy when the charge is being made by journalists, politicians and stock market traders—who all seek to enrich themselves uncontrollably and are never satisfied.

In truth, the profession of pilot has for some time now gone from being a dream job to a nightmare. A scientific study by Belgium’s Ghent University shows that 16 percent of European pilots today work in so-called atypical employment. They are no longer permanently employed by an airline, but often have temporary contracts. Approximately one third of those with precarious working conditions are hired through a temp agency.

The study states that “employers are increasingly using the phenomena of outsourcing and downsizing. The labour market is increasingly characterized by atypical employment situations, including (bogus) self-employment, which produces a wide variety of different types of employment.”

These atypical employment conditions have serious consequences, both for the livelihood of the pilots and for flight safety. Pilots are no longer paid a fixed amount, as in a collective agreement with a fixed

monthly salary, holiday pay and Christmas bonus, and regulated sickness benefits. Instead, they receive temporary contracts and are paid by the hour. Even worse, those considered to be self-employed are usually only ever paid if they work on a flight.

While these conditions of extreme exploitation have dangerous consequences for air safety at budget airlines, Lufthansa pilots are trying to fight against them in their bitter labour dispute. They are conducting an important struggle, which is also of great significance for workers in other industries.

Many workers understand the problems facing airline pilots. Their working conditions have changed completely in the last 30 years. As a result of globalization, state-owned airlines were privatized and the number of charter and budget airlines rose. The poor working conditions in low-cost offshoots are now being used to extort the Lufthansa pilots and destroy traditional working conditions.

The main problem confronting the striking pilots is the fact that the national perspective of the trade unions—and this also applies to Vereinigung Cockpit—ultimately leads to subordinating workers’ interests to the profit interests of management and the shareholders.

Citing international competition, Cockpit has already made major concessions and presented their own cuts plans for saving hundreds of millions of euros. This has only encouraged the Lufthansa board to launch ever sharper attacks on the pilots.

For the strike to be successful, pilots, flight attendants and ground workers need to join with workers at other airports and beyond, independently of Cockpit, Verdi, Ufo or the IGL unions. At the same time, it is necessary to make contact with workers at Volkswagen and other companies, who are also being threatened with massive job cuts and social attacks. This requires a socialist perspective and an international strategy that places the interests and needs of workers higher than the enrichment of shareholders and the directors.



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