

Alitalia workers to bear the costs of selloff of Italy's national airline

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More than two years have passed since Alitalia declared bankruptcy. Since May 2017, the state has temporarily managed the airline's affairs. Extended strikes last week in the transport sector and at Italy's airports once again brought the airline's plight into focus.

At the beginning of the summer holiday season, strikes took place at train stations, airports, and on ferry services, all directed against the Lega-Five Star Movement governing coalition.

On Friday July 26, pilots, cabin crew, ground staff, check-in personnel, and catering workers participated in strikes at all major airports. As a result, hundreds of aircraft remained grounded in Milan, Turin, Rome, Naples, and Palermo. Two days earlier, a national strike by transport workers took place, including bus and metro drivers, short- and long-distance rail workers, taxi drivers, ferry workers, and motorway workers.

The strikes underscored the widespread opposition mounting in workplaces to the crisis measures, the growth of social inequality, and the government's right-wing policies. Anger was also directed against the collusion of the trade unions, which has helped ensure that workers bear the brunt of privatisations, austerity measures, and outsourcing. Stark confirmation of this is provided by the large number of workplace accidents, with an average of three workers dying on the job every day in Italy.

Alitalia workers had also been prepared to stop work on 26 July. But when Transport Minister Danilo Toninelli (Five Star Movement) appealed to the unions for moderation, they called off the strike at Alitalia and postponed it until September. The national airline was nonetheless compelled to cancel 113 flights. At Rome-Fiumicino airport, 80 Alitalia planes were grounded.

The airline currently confronts a critical period ahead.

The final deadline for offers to purchase the airline expired July 15. On deadline day, the government unveiled a new consortium for Alitalia, which in addition to the state railway company Ferrovie dello Stato and infrastructure firm Atlantia also includes American airline company Delta and the Italian Finance Ministry. A viable new plan is to be presented no later than September 15.

Alitalia has been in bankruptcy for over two years. The airline, which once employed 20,000 workers, was privatised in the wake of the 2008 financial crisis and its workforce sharply reduced. Today, it employs around 11,000 workers.

In April 2017, pilots, cabin crew, and ground crew opposed the recommendation of their unions by a two thirds majority and voted in a referendum against a new restructuring plan, which would have involved further wage and job cuts. The main shareholder, Abu Dhabi's Etihad Airways, subsequently withdrew from Alitalia, forcing the airline to declare bankruptcy.

Ever since, the crisis-ridden airline has been kept running thanks to a series of bridging loans from successive Italian governments. By July 15 of this year the deadline for purchasing the airline had already been extended four times.

Two years ago Beppe Grillo's Five Star Movement promised to nationalise the airline and protect all jobs. Six months later, the party emerged as the strongest from the April 2018 parliamentary elections. To gain access to power, the ruling group around Grillo decided at the time to reach an agreement with Matteo Salvini's far-right Lega.

Salvini is now Italy's strongman, while Luigi Di Maio, the current Five Star leader, plays second fiddle on all decisions. However, the Five Star Movement is directly responsible for the fate of Alitalia with

Toninelli as Transport Minister.

How does the promise to “nationalise” Alitalia look today? Far from nationalising the airline, Toninelli and Di Maio have cobbled together a private consortium that will merely ensure that the majority of shares remain in Italian hands.

Alitalia is to remain a national flagship airline. To achieve this goal, Five Star is prepared to compromise with the demands of big business by slashing thousands of jobs. On July 11, Toninelli told the Senate, “We want to protect the public interest as much as possible and in contrast to our predecessors avoid any impact on the state treasury, i.e. the citizens’ wallets.”

The sale is projected to raise €1 billion to save Alitalia, which is losing €1 million per day. To this end, Atlantia Holdings was integrated into the consortium. The company, 30 percent of which is controlled by the Benneton family, operates Italy’s motorway network and the “Airoporti die Roma,” i.e. the capital’s Fimucino and Ciampino airports. Atlantia is to invest €350 million in Alitalia.

This is all horse-trading aimed at securing the support of a company with the necessary financial clout. Toninelli was only recently considering the withdrawal of state support for the company’s autobahn operations due to the collapse of the Morandi bridge. Today, the government is prepared to waive all penalties in the name of reaching a “solution” for Alitalia. The costs will be borne by the workforce, the pilots, cabin crew, and ground staff. Although a business plan remains to be finalised, it is already clear that between 1,000 and 2,000 jobs will be cut.

To achieve this, the collaboration of the unions is indispensable for the government. They share the government’s nationalist outlook. In order to maintain Alitalia as a national airline two years ago, they were willing to enforce the drastic concessions plan, which they described to workers as the “best possible option.”

The nationalist orientation of the three main trade union federations, CGIL, Cisl, and Uil is shown by the demands they raised during last week’s strike. Under the slogan, “Getting the country back on track,” they called for a roundtable with the government and major shareholders on topics such as the struggle against black market employment and the restructuring of Alitalia. The government must finally take “measures to improve transport infrastructure,” stated their appeal.

On the question of Alitalia, the unions adopt a strongly anti-European Union position. They are at one with the government on maintaining Alitalia as a national airline at all costs, including at the expense of its workers. When all is said and done, this amounts to the same brutal restructuring plan rejected by the workers two years ago and explicitly opposed in the referendum vote.

The European Commission has already expressed its doubts, noting that the government has kept the company afloat with over €900 million in bridging loans, which violates EU competition laws.

Concealed behind the EU Commission’s stance are the demands of Lufthansa management, who would like to secure Alitalia, or at least its most profitable parts. Lufthansa already made three offers for parts of Alitalia. In January 2019, Lufthansa board member Harry Hohmeister told Reuters news agency, “We are fighting for the Italian market and that includes Alitalia.” Lufthansa presented an offer for the takeover of parts of Alitalia as early as the end of 2017.

Several newspaper commentaries in Germany express the growth of nationalism, which is also being stoked on the German side. The *Süddeutsche Zeitung* published an arrogant comment by Ulrike Sauer on July 18 in which she gave free rein to her outrage at the “bankrupt airline.” She raged that “unwitting passengers,” by purchasing a ticket, were being forced to make a “donation” to “pay the extremely generous benefits of former Alitalia workers.” Presumably Mrs. Sauer would prefer it if Alitalia fell into Lufthansa’s lap so that the employees, following their dismissal, would no longer be able to cash in on such “generous benefits.”



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