

Scandinavian Airlines lays off 10,000 airline workers as coronavirus triggers global jobs massacre

Jordan Shilton
17 March 2020

Scandinavian Airlines (SAS) announced Sunday that it will throw around 10,000 employees out of work as it halts almost all operations amid the spread of the coronavirus. The callous decision, which confronts tens of thousands of workers and their families with financial ruin, comes as cases of the infectious disease increased rapidly in all Scandinavian countries over the past week.

The job cuts will impact 90 percent of the airline's workforce, including pilots, cabin crew, and ground staff. SAS, which is partially owned by the Swedish and Danish governments, stated Sunday that it does not intend the layoffs to be permanent. But chief executive Rickard Gustafson commented at a Stockholm press conference: "Demand for flights into, out of and within Scandinavia has more or less disappeared."

Coronavirus cases have shot up across Scandinavia over the past week. In Norway, where total confirmed cases rose to 1,368 today, with three deaths in a country with just 5.3 million inhabitants, Prime Minister Erna Solberg announced the closure of the borders and all airports as of yesterday in a bid to slow the rate of transmission. The only exemptions are for Norwegians returning home, and the import and export of goods. Schools, kindergartens, and universities have also been closed.

In northern Norway, which relies heavily on income from tourism to the Arctic circle, many local operators have laid off workers and halted their activities for the entire season. The news site Euractiv described the potential impact on the region as an "economic meltdown."

Norwegian Air, a budget airline, announced plans to lay off 50 percent of its workforce.

In neighbouring Sweden, which has recorded 1,125 cases with seven deaths, Scandic Hotels Group announced the firing of 2,000 employees, about half of the company workforce. Across the country, regional health authorities are already warning that they lack protective gear and test kits for coronavirus patients.

On Monday, the Swedish government unveiled a 300 billion kronor (€27.8 billion) package for businesses, including plans for the state to cover sick pay from day one and pay a share of wages for temporarily laid-off workers. However, these measures are only set to last through April and May. Companies were also granted tax breaks.

In Denmark, where 960 cases and four deaths have been recorded, the government announced a programme to pay 75 percent of the salaries for workers if their employers pledge not to lay off staff. This programme will run only until June 9. The Danish Chamber of Commerce projected in a report that 47,000 people in the tourist industry alone are threatened with losing their jobs in the immediate future.

In Finland, where 294 cases have been reported, the government has come under criticism for its strict testing policy. According to the *Helsinki Times*, Prime Minister Sanna Marin ordered that tests of patients will only be carried out on the authorisation of a doctor, who must first consult with an infectious disease specialist. This means that the official number of cases is certainly an underestimation of the true figure. The country's Institute for Health and Welfare claimed that it is not worth testing people for mild symptoms, but the Hospital District for Helsinki and Uusimaa, one of the region's worst hit by the outbreak, acknowledged

that the restrictive practices are due to a shortage of resources.

Over recent years, Finland's healthcare system, as well as all other public services, have been subject to strict austerity policies.

While workers bear the brunt of the coronavirus crisis, governments in Scandinavia, like their counterparts internationally, have rushed to provide virtually unlimited funds to prop up the banks and the financial elite. Sweden's central bank announced loans to the country's financial institutions of around €45 billion, while Norway's central bank cut interest rates by 0.5 percent and promised further measures.

The devastating impact of the coronavirus pandemic on workers in the travel industry and related sectors is not confined to Scandinavia, but is unfolding on a global scale.

Airlines around the world are cutting thousands of jobs as their revenues dry up due to the coronavirus pandemic. Air New Zealand, which employs some 8,000 workers, announced the axing of its long-haul flights and the laying off of an unspecified number of employees. British Airways, which warned Friday that it is threatened with total collapse, is reducing its flights by 75 percent, Air France/KLM by 40 percent, and American Airlines by 75 percent. Swiss International announced it would take half of its fleet out of service, while Europe's largest budget airline, Ryanair, stated it may force employees to take leave starting Monday.

British Airways chief executive Alex Cruz ominously warned staff that job cuts would be implemented "perhaps for a short period, perhaps longer term." KLM announced yesterday that 2,000 jobs will be cut.

The airline industry, which over the past decade has funnelled tens of billions of euros into the pockets of its wealthy shareholders on the basis of a savage intensification of exploitation of airline employees, is thus offloading the full burden of the health and social crisis triggered by the global pandemic onto the backs of workers and their families.

Airline executives warned that without billions in government aid, the entire industry could collapse. Budget airline EasyJet has appealed for a coordinated action plan by European governments to support airlines, while Lufthansa, one of Europe's largest airlines, announced it would likely request government aid.

Job cuts at leading airlines are just the tip of the iceberg for the travel industry. Millions of jobs are at risk worldwide.

In Germany, leading global tourist company Tui announced an effective halt to all its travel operations late Sunday. The number of workers affected by the move remains unclear. In addition to employees working directly for the company, independent hoteliers and tourist service providers will also suffer.

The *Washington Post* reported last week on a wave of thousands of job cuts in transportation, travel, leisure, and tourist sectors across the United States, including the firing of 145 drivers at the port of Los Angeles, dozens of workers at travel agents in Atlanta and Los Angeles, and over 100 workers at a national stage lighting company.

"This job was my paycheck," said Sam Creighton, a worker at a Chinese visa processing center in Los Angeles. "I really don't know what to do next."



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact