

German airline Lufthansa receives multibillion-euro bailout, prepares to cut 18,000 jobs

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Lufthansa, Europe's largest airline, is exploiting the coronavirus pandemic to implement long-planned attacks on their workforces. Almost all sections of the Cologne-based airline will be impacted.

Due to the travel restrictions imposed in an effort to slow the spread of the coronavirus, global air travel has virtually come to a standstill. Around 700 of Lufthansa's 763 planes have been taken out of service. Lufthansa has requested or plans to request short-time work for 87,000 of its 135,000 workforce.

The company has said nothing about the amount of state support it has received from Brussels, Berlin, Vienna and Bern. But according to trade union sources, the airline is receiving assistance amounting to hundreds of millions of euros per month. The *Süddeutsche Zeitung* reported on April 6 that loans of up to €10 billion were being discussed.

In a company press release on April 7, Lufthansa noted that it would take months for the travel restrictions to be lifted, and years before the demand for flights reaches pre-crisis levels. Therefore, the board "adopted wide-ranging measures to reduce the capacity of air travel and administration over the long-term."

Planes will be taken out of service at Lufthansa Airlines, Lufthansa Cityline, and EuroWings. Lufthansa added that the "already initiated restructuring programmes at Austrian Airlines and Brussels Airlines will be intensified due to the coronavirus crisis." At these airlines, as well as Swiss International, the size of the fleet will be reduced.

The daily *Die Welt* cited a company spokesman as stating that the airline would end up cutting 10 percent of its capacity. With a combined fleet of 763 aircraft, this would mean the elimination of between 70 and 80

planes. According to *Die Welt*, a rule of thumb in the airline industry states that around 220 jobs are connected to each large passenger plane, from the crew to caterers and ground staff. This would translate into the loss of between 15,000 and 18,000 jobs.

The subsidiary GermanWings is shutting down operations entirely, eliminating 1,400 jobs and grounding 30 planes. For 18 years, the airline was Lufthansa's most important budget carrier, or, to put it more accurately, low-wage carrier. For the past four years, it was no longer an independent airline, but was gradually integrated into the Lufthansa subsidiary EuroWings. GermanWings flew the domestic routes for EuroWings.

The plan now is to integrate all EuroWings' partner airlines under the EuroWings umbrella. This is due to the fact that at EuroWings, which is based in Austria, the wages and workplace benefits are much lower than those at Lufthansa and even GermanWings.

The Independent Flight Attendants' Organisation (UFO) trade union, together with the services union Verdi, agreed a contract for EuroWings employees based in Germany last year that permits shifts to last up to 14 hours. Employees face wage cuts if they get sick, because Austrian contract regulations apply to their agreement.

The current round of attacks on thousands of jobs is just the beginning, with Lufthansa's board declaring that this is a "first restructuring package." This suggests that further attacks are to come.

The Cockpit Association (VC) trade union and UFO pointed to the "indecent proceedings at GermanWings" in a press release last week. They knew what was coming, because Lufthansa had refused to sign

contracts that had already been distributed for short-time work, which included a job guarantee. Lufthansa deliberately avoided applying for short-time work at GermanWings and continued to pay wages in full so it could evade the job protection requirement. The following day, the announcement of the job cuts and winding up of GermanWings was made.

The well-rehearsed show then commenced: the company announced job cuts and the unions protested against them. Shortly thereafter, both parties reported the “success” that the job cuts will not result in “compulsory redundancies.”

On behalf of the employer, Lufthansa announced last Tuesday that it would seek to offer “further employment within the Lufthansa Group for as many as possible,” i.e., not everyone. The unions launched a toothless protest with an online petition to the board. VC president Markus Wahl accused Lufthansa chief executive Karsten Spohr of seizing on “a favourable situation” to “push ahead with the restructuring of the company at the expense of the workforce.”

By this point, UFO had already announced its willingness to do precisely that in partnership with the board. Spokesperson and former union head Nicoley Baublies said that no flight attendant would have to leave “if clever collective solutions are achieved and we exploit natural attrition.” The union is ready to enter talks soon, added Baublies.

One day later, new UFO President Daniel Flohr expressed his satisfaction to the daily *Junge Welt* that more than 11,000 people had signed the petition “for the retention of flights at GermanWings.”

“In addition, the trade union protest immediately resulted in compulsory redundancies being abandoned and the workers should keep their jobs,” Flohr claimed, however, no details have been presented in writing.

The policy of the trade unions is the direct product of their pro-capitalist orientation. UFO and VC were established and expanded due to widespread anger among workers at the close ties between Verdi and other unions affiliated with the German Trade Union Confederation (DGB) to management. For example, Verdi official Christine Behle is deputy chairwoman of the company’s supervisory board.

But UFO and VC identify just as much with the company’s concerns as Verdi. As soon as Lufthansa offers the smallest indication that it is prepared to

negotiate with UFO and VC, the union representatives throw themselves at the company’s feet. This is because their top priority is to be recognised by the board as a trade union rather than waging a genuine struggle against it. When they organise strikes or other job actions, they always do so only against one part of the company, making it easier for the board to compensate for any lost revenue by deploying strike-breakers.

The most recent strike was a three-day stoppage by GermanWings flight attendants over the New Year. The outcome of this strike was that Lufthansa accepted talks, which resulted in a joint statement of intent at the end of January. Both parties, i.e., the company and UFO, “agreed to a multi-part procedure to resolve the conflict,” including a “major” arbitration process, “until the conclusion of which labour peace will prevail at Lufthansa.”

As recently as March 16, representatives of UFO and other unions spoke at an “air travel conference” in Berlin on how the airlines could make it through the coronavirus crisis unscathed. “To an unprecedented degree, employer associations, trade unions and other industry representatives were in agreement today that the emergency measures adopted by the government were welcome, but far from sufficient,” Baublies, who participated on behalf of UFO, enthusiastically reported.

“Profession-based unions with their detailed knowledge of the branch can now use their advantage and will fight to ensure that the particular requirements of the airline sector are protected and special problems resolved,” added UFO president Flohr.

Three weeks later, Europe’s largest airline then announced how it intends to resolve those special problems: with a multibillion-euro bailout from the government and billions more in savings through the elimination of up to 18,000 jobs.



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