

British Airways announces 12,000 redundancies amid global airline jobs massacre

Thomas Scripps
30 April 2020

British Airways (BA) has announced plans to slash 12,000 jobs, nearly 30 percent of its workforce.

Chief Executive Alex Cruz, on a basic salary of over £1.3 million, wrote to staff, saying, “There is no government bailout standing by for BA and we cannot expect the taxpayer to offset salaries indefinitely. Any money we borrow now will only be short-term and will not address the longer-term challenges we face. ... The scale of this challenge requires substantial change so we are in a competitive and resilient position, not just to address the immediate Covid-19 pandemic, but also to withstand any longer-term reductions in customer demand, economic shocks or other events that could affect us.”

BA’s message is clear: It is sacrificing its employees to keep the company competitive for the benefit of its shareholders. The company will consult with the British Airline Pilots Association (BALPA) and the Unite and GMB unions over the next 45 days to discuss implementing the losses.

This decision, which will devastate tens of thousands of lives, is a warning to the working class of the economic “reconstruction” being prepared by business and ruling circles everywhere in the wake of the coronavirus pandemic. Millions of workers will be made to pay the price of preserving the wealth of a tiny minority of society.

No sacrifice is to be made by the corporate elite. While BA’s parent company IAG has made much play of cancelling its proposed 2019 final dividend of €337 million, it chooses not to mention that 2019’s interim dividend of €287 million has already been paid. Before that, Bloomberg reported in September 2019 that “IAG felt able to return 1.3 billion euros to shareholders in

dividends over the past year.” These massive pay-outs were made possible by a 2016 pay deal that saw employees give concessions—including the closure of a pension scheme that saved the company an estimated £800 million—to ensure the company’s “survival.”

At the end of March, the company was sitting on €9.5 billion of cash and undrawn general and committed aircraft finance facilities.

Similar processes are underway across the airline industry in Britain and internationally. EasyJet has furloughed 4,000 of its UK-based cabin crew on 80 percent wages, and Virgin Atlantic, owned by multibillionaire Richard Branson, has furloughed 8,000 workers, while seeking hundreds of millions in bail-out funds from the government. Workers at Heathrow Airport are being forced to accept a 15 percent pay cut or face redundancy.

The aerospace manufacturer Airbus is due to furlough 3,000 workers in Wales and is reportedly contemplating permanent job cuts, with decisions expected in mid-June. Guillaume Faury, Airbus CEO with a salary of 1.3 million, said, “For us, the urgent priority is to implement a short-term cash containment plan. ... We are doing this, and address[ing] the longer-term cost structure to ‘right-size’ the company.”

On Tuesday, Scandinavian Airlines (SAS) announced it would be cutting 5,000 permanent jobs—half of its workforce. Norwegian Airlines has said that practically all its planes will remain grounded until 2021 and that its fleet will be some 30 percent smaller when it begins flying again.

Australian carrier Qantas has put 20,000 staff on leave, and Air Canada has done the same with 15,000 of its workers. In the US, 4,800 pilots at American

Airlines have taken short-term leave on reduced pay and more than 700 are taking early retirement.

German airliner Lufthansa is in talks with the government for a multibillion-euro loan but nonetheless warns it will emerge from the crisis a much smaller operator, with anything between 10,000 and 18,000 job losses. Its subsidiary GermanWings, with 1,400 jobs, is shutting down operations entirely.

Every cut is facilitated by the trade unions, which conducted a rotten series of sellouts in the airline industry in 2019 and are now preparing the way for a new round of assaults by the employers.

BA's announcement comes just three weeks after a deal was agreed on by Unite and GMB, which saw more than 22,000 workers furloughed on 80 percent of their salaries. At the same time, BALPA agreed to a temporary 50 percent pay cut and unpaid leave for BA's 4,000 pilots. The unions promised that these deals, representing a substantial loss of income and pensions, would prevent redundancies. Instead, they have paved the way for mass sackings.

In response to BA's announcement, Unite General Secretary Len McCluskey said lamely, "With the majority of BA's workers on furlough, we would have expected [Alex Cruz] to work with both us and the government to honour the spirit of the government's job retention scheme."

Nadine Houghton, GMB's national officer, claimed, "We believed we had reached some relative, albeit temporary, respite for them following the agreement to furlough 80% of BA's staff—now this."

Speaking for BALPA, Brian Strutton said in a statement, "This has come as a bolt out of the blue from an airline that said it was wealthy enough to weather the COVID storm and declined any government support. BALPA does not accept that a case has been made for these job losses and we will be fighting to save every single one."

There will be no such fight by any trade union, least of all BALPA. Last year, BALPA delayed and ultimately cut short the first pilots' strike at BA in 40 years, pushing through essentially the same deal that had been rejected by more than 90 percent of its membership several months earlier. Strikes at the Ryanair carrier were also called off by BALPA, while Unite cancelled a series of planned strikes by airport workers.

All of this took place in the context of a rising international wave of militancy in the European airlines sector. The unions will jump at the opportunity to suppress and disperse any resistance to the latest job cuts with reference to the pressures of the COVID-19 pandemic. GMB has already indicated its retreat, announcing its intention simply to "limit the impact on our members" and work on "bringing that number [12,000] down."

The impact of the coronavirus on the airline industry is massive. IAG is grounding 90 percent of its fleet in April and May, with a return to 2019 passenger levels expected to take several years. The company reported an operating loss of €535 million in the first quarter and is expecting a worse result for the second. The global airlines trade association, the International Air Traffic Alliance, predicts that airlines around the world could lose a total of \$300 billion due to the pandemic, threatening 25 million jobs.

There are two opposed responses to this situation.

Under capitalist production for profit, smaller and less profitable airliners will go to the wall and be absorbed by the major corporations, who will engage in a massive international struggle between themselves, all on the basis of an unprecedented destruction of jobs and conditions. The trade unions, rooted in the national capitalist economy and bound by a thousand threads to the interests of the employers, will do everything they can to demobilise opposition to this vicious cost-cutting drive on behalf of their corporate masters.

The alternative response—the reorganisation of the world economy to meet the needs of humanity and not private profit—requires the mobilisation of the international working class, not bound to any nation or corporation, in a fight for socialism. To defend their livelihoods, workers must establish rank-and-file committees, independent of the union bureaucracies, in every workplace in every country to wage a globally unified fight for this perspective.



To contact the WSWs and the Socialist Equality Party visit:

[wsws.org/contact](https://www.wsws.org/contact)