

Jobs massacre deepens in European aviation as four UK corporations announce 26,000 redundancies

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Aviation conglomerates across Europe are slashing jobs and tearing up contracts in order to maintain their profitability.

The airline industry has been hit hard by the coronavirus pandemic as global air travel has ground to a halt. Europe has suffered a 90 percent collapse in air traffic, with its largest airport, London Heathrow, reporting just 3 percent of normal passenger numbers. Lufthansa and Ryanair are currently operating 1 percent of their fleet.

In response to the unprecedented crisis, major companies sitting on billions in revenue are focused solely on continuing to extract profits at the expense of their workers. Corporations are demanding vast amounts of public money, pushing the cost of furloughed workers' salaries onto the taxpayer and demanding massive additional government bailouts.

At the same time, they are making tens of thousands redundant, rewriting contracts and forcing sweeping pay cuts. The crisis is providing a vast opportunity to accelerate the “streamlining” of operations, boosting short-term profits for a few individuals while destroying thousands of livelihoods.

In recent days, four companies based in Britain and Ireland—British Airways (BA), Virgin Atlantic, Rolls-Royce and Ryanair—have announced they will be laying off a combined total of 26,000 workers.

Despite its €9.5 billion cash reserves, BA will slash 12,000 jobs—or 30 percent of its workforce. It said the cuts were necessary to put the company “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”.

On May 1, just three days after announcing the redundancies, a leaked report revealed that BA planned to tear up the contracts of its entire remaining workforce and replace them with new “zero-hour” contracts. Deeply

exploitative, but now the norm across the “gig economy” and beyond, zero-hour contracts leave workers entirely at the mercy of employers—denying them any security of work or income and removing basic rights and protections such as paid holidays, maternity leave and sickness pay.

This mass demolition of jobs, rights and conditions will decimate the lives of 42,000 BA workers, their families. The UK's national flag carrier is making clear that secure, decent-paying jobs are fundamentally incompatible with boosting profits.

Also on May 1, British aero-engine maker Rolls-Royce announced its intention to lay off 8,000 workers and reduce the salaries of those remaining by at least 10 to 20 percent.

The drive for “greater efficiency” at the expense of workers is nothing new for Rolls-Royce, with the engineering giant relentlessly cutting jobs since 2013. This summer was due to mark the end of a two-year wave of 4,600 redundancies, which were intended to “deliver improved returns, higher margins and increased cash flow.” These were aimed at slashing £400 million in annual costs, in pursuit of Rolls-Royce's “long-term ambition to be the world's leading industrial technology company.”

Now, in the wake of the coronavirus pandemic and even while pushing through its most extreme cuts in 30 years to “increase our liquidity” and “strengthen our resilience,” Rolls-Royce has warned its remaining workers “we will need to take further action.”

Making clear that “we” refers to profit-hungry shareholders, not workers, Virgin Atlantic's CEO Shai Weiss said, “If we are to safeguard our future and emerge from the crisis a sustainably profitable business, now is the time for further decisive action to reduce our costs and preserve cash.” This came after announcing the axing of 3,150 jobs and requesting a £500 million government bailout.

Richard Branson's Virgin Group, which owns 51 percent of Virgin Atlantic, failed in its initial request for £7.5 billion

of public money to be handed over to aviation firms—as the UK government feared a social backlash by the population against such largesse. Branson is the UK’s seventh richest person with an estimated worth of £4.7 billion and has lived tax-free on a private island in the British Virgin Islands for the past 14 years.

Ryanair announced plans to eliminate 3,000 jobs last Friday and had previously hinted it may eventually cut up to a third of its 19,000-strong workforce. The airline said, “These plans will be subject to consultation but will affect all Ryanair Airlines and may result in the loss of up to 3,000, mainly pilot and cabin crew jobs, unpaid leave, pay cuts of up to 20 percent and the closure of a number of aircraft bases across Europe until traffic recovers.”

Such attacks are being carried out throughout the European airline industry.

The Lufthansa Group and Air France-KLM are between them looking at €22 billion in government bailouts. The Lufthansa Group will cut 10,000 jobs and pilots’ pay by 45 percent. Air France-KLM Chief Executive Ben Smith insisted, “This financing will give us the opportunity to rebuild...we are going to have to rethink our model immediately.”

Ryanair’s CEO Michael O’Leary opposes his main rivals receiving vast state funds and further loans based on threatening his firm’s market position. “The weakest airlines going into the crisis—Lufthansa, Air France, KLM, Alitalia—who were going to in normal circumstances have to restructure and retrench are now going to be enormously enriched with this state aid doping. I think what we are facing now is that...they’ll be able to make life very difficult for the well-run airlines.”

Like every capitalist, for billionaire O’Leary “well-run” means most skilled at squeezing the maximum possible surplus value from workers. Ryanair is notorious for its treatment of staff, from its use of zero-hour contracts, to making pilots and cabin staff pay for their own uniforms, medicals, parking, food and drinks.

Scandinavian Airlines is eliminating 5,000 employees, while receiving a joint €410 million guarantee from Sweden, Denmark and Norway. Icelandair will lay off 2,000 employees after receiving almost €650,000 in public money.

In June, the Italian government will take control of failing Alitalia, injecting it with €600 million of public money while also reducing its fleet and 12,000-strong workforce.

As enormous as these cuts are, they are just a precursor. According to a study by the Institute for Social and Economic Research at the University of Essex, more than 6.5 million jobs could be lost due to the economic dislocation resulting from the pandemic. In the accommodation and food services sector, the study predicts

that 1.3 million jobs could go. The wholesale, retail and repair of motor vehicles sectors could see a 47.6 percent loss in jobs. About 700,000 positions are threatened in the transport and storage sector.

Such seismic, industry-wide restructuring would not be possible without the collaboration of the trade unions, who are defending the interests of the corporations, in direct opposition to their members.

Throughout 2019, the British Airline Pilots Association (BALPA), Irish Air Line Pilots Association (IALPA), Unite and GMB played a central role in isolating and neutralising their members’ struggles—selling out strikes and facilitating numerous attacks on their pay and conditions.

Amidst the current job-loss bloodbath, the utterances of the unions are barely distinguishable from those of the corporations. BALPA sees its main role as lobbying for more public money to be poured into “our” private companies, as it calls “for the government to deliver its package of support to help our airlines through this crisis and protect the multitude of other industries that are indirectly reliant on aviation. ... Without swift action, UK aviation will fall behind our global competitors.”

The attacks at BA are being imposed despite it receiving huge amounts of state funds in furlough payments. The Unite union has agreed to BA sending staff home, a 20 percent pay cut, and further exploitative clauses.

Referring to the BA jobs massacre, Unite General Secretary Len McCluskey shed crocodile tears over the “heartless decision” but was primarily upset not to have been consulted. He said, “we would have expected him [BA CEO Alex Cruz] to work with both us and the government. ... Governments across Europe, in Spain, Germany and France are working with trade unions and airlines to rebuild back better.”

Another Ryanair-connected firm, Blue Handling, which provides services to Ryanair at Stansted airport, has cut 100 staff, sending them letters in March terminating their contracts and informing them they would not have their wages paid under the government’s furlough scheme.

The union representing Blue Handling workers has done nothing to fight the job losses, declaring, “Unite has been working with the company to find ways to minimise any potential costs. The union has made a number of proposals, but their employer ... has decided not to do the right thing for their former employees.”



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