

German unions compete to offer greater cuts at Lufthansa

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Germany's national carrier Lufthansa is exploiting the coronavirus pandemic to push through major restructuring. Like the economy as a whole, it is using it as an excuse to cut wages and massively cut jobs.

The cold-bloodedness of the Lufthansa Executive Board's approach is hard to beat. After air traffic collapsed in March and April, Lufthansa CEO Karsten Spohr threatened to declare "voluntary insolvency" if the German government did not agree to a billion-euro rescue package without having any influence on business operations. This would have given him a free hand to circumvent collective bargaining agreements and pension obligations and cut numerous jobs. The talk was of 10,000 to 20,000 jobs.

The decline in air traffic was used to justify further job cuts. At present, about 700 of the company's 763 aircraft are on the ground; 87,000 of its 135,000 employees are on short-time work and are being financed by the state. According to Spohr, 300 aircraft will remain parked next year, 200 in 2022, and about 100 aircraft after that date will not be needed.

The German government followed the company's demand and gave its blessing to a rescue package worth €9 billion. In the meantime, the Supervisory Board and the European Commission have also given their approval, and shareholders will decide on this at an extraordinary general meeting on June 25. Faced with the alternative of insolvency or accepting the rescue package, they are likely to agree. Nevertheless, the company and the trade unions are using the shareholders' pending decision as a means of exerting pressure on the workforce.

The "rescue package" contains the same drastic cost reduction targets as insolvency. In addition to flying personnel, drastic savings can also be expected in administration and at the service subsidiaries Lufthansa Technik and Catering, Spohr announced. He wants to "significantly reduce" the "unit costs" compared to the

level before the coronavirus crisis. The "unit costs" also include personnel assigned to each respective aircraft.

To convince shareholders to accept the rescue package, he needs all the trade unions involved in the company to approve the cuts before the shareholders' meeting. The unions are seeking to outdo each other with their cuts proposals. Last Wednesday, UFO (flight attendants), Verdi (ground staff) and the Vereinigung Cockpit (pilots) unions met with Lufthansa management for a "collective bargaining summit" and discussed how a "surplus of 26,000 jobs" could be cut from the total workforce of about 138,000 employees.

The same day, UFO told its members that Lufthansa had concretized the "expected surplus of employees" and blackmailed them with the threat of still possible insolvency. "A stated surplus of 26,000 jobs in the company cannot please anyone. The threat of insolvency remains if the rescue package is rejected by the shareholders."

Lufthansa's Chief Human Resources Officer Michael Niggemann told the press after the summit, "Without a significant reduction in personnel costs during the crisis, we will miss the chance of a better restart out of the crisis." UFO boss Daniel Flohr followed the same script. There was "no alternative" for a successful restart of the aviation industry.

Flohr told broadcaster Deutschlandfunk that job cuts on this scale were not surprising, they were based on understandable calculations, and could be worked with. Specifically, he had offered a wage freeze and to extend the collective bargaining agreement at least until the end of the year, as well as the cancellation of various wage supplements. He was also thinking of the conversion of full-time jobs to part-time, or flexible retirement plans.

Avoiding compulsory redundancies was "the exchange that employees need in return for savings," Flohr said in the press release. The union had "served up proposals on

a silver platter,” but management had stuck to its negotiation target of 20 percent savings.

Verdi is also offering massive concessions. Its executive board member Christine Behle, who is also deputy chair of the Lufthansa supervisory board, gave assurances that “the constant and sustainable safeguarding of Lufthansa has top priority for Verdi.” As when Air Berlin was broken up, she is now also prepared to sacrifice the interests of the workforce to the profit interests of the shareholders—despite hollow appeals to secure jobs.

The pilots’ union Vereinigung Cockpit even offered a salary cut of 45 percent, which, with some 5,000 pilots, would add up to savings of €350 million. This salary waiver could possibly last until 2022. Vereinigung Cockpit leader Markus Wahl appealed to shareholders to approve the rescue package “in the interest of all stakeholders.”

The union leaders falsely claim the employees are also “stakeholders” in the private company. Workers must firmly reject this lie. To the owners they are mere “unit costs,” not “stakeholders.” The trade unions seek to secure the company’s profits through their “socially acceptable” personnel cuts (“unit costs”) and by suppressing any resistance within the workforce.

For years, the aviation industry has been fiercely competitive, and this is fought out on the backs of the employees. The crisis in aviation can only be resolved if it is organised not according to the drive for profits but according to the needs of the global population. What is necessary is an end to the anarchic dog-eat-dog policy pursued by the airlines through their expropriation and control by the workforce—also taking into account alternative transport systems and the need to protect the environment.

We call on aviation workers to join together to form action committees, independent of the trade unions, for the protection of all jobs. The WSWS will support them in this and in making contact with workers internationally.



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