

Unite offers support for 10 percent job losses at British Airways, EasyJet, Ryanair

Laura Tiernan**2 July 2020**

A report by the New Economics Foundation (NEF), drafted in consultation with aviation unions and the Trades Union Congress (TUC), has revealed the Unite union's acceptance of mass redundancies this summer.

Published last month, the 25-page report, "Crisis Support to Aviation and the Right to Retrain," is an appeal to the Johnson government. It sets out the unions' corporatist proposals to protect the profitability of the major airlines as they restructure and slash thousands of jobs.

The report includes the admission that Unite has accepted a "redundancy cap" of 10 percent. This is a warning to workers about the content of Unite's current negotiations with EasyJet and other airline companies.

On Tuesday, the scale of the ongoing jobs massacre was underscored by EasyJet's announcement that 1,900 pilots, cabin crew and ground staff will be made redundant. Hours later, Airbus announced 12,300 job cuts worldwide by Summer 2021, including 1,700 in the UK, as orders for new planes stall.

The authors of the NEF report, Alex Chapman and Hanna Wheatley, provide a blunt assessment of the scale of upheaval triggered by the coronavirus pandemic.

"[A]viation sector employers are planning to cut an estimated 27% of jobs in the immediate short-term, i.e., within the next two to three months," they write. This equates to 39,000 aviation jobs and 70,000 jobs throughout the supply chain.

Without further government bailouts, they warn that 50 percent of aviation jobs will be wiped out during the next financial year—equating to 69,000 aviation jobs and a massive 124,000 in the supply chain.

"The short-term job losses projected are larger than the number of job losses seen at the peak of the UK coal industry's socially damaging decline. Approximately 65,000 coal jobs were lost between 1980-81," they write.

The report appeals for a new round of government

bailouts to the airline companies, on top of the £1.2 billion handed to British Airways (BA), EasyJet and Jet2 by Boris Johnson's government in April, and £7.1 billion in annual subsidies in the form of VAT and fuel tax write-offs. In BA's case, shareholders in parent company IAG have received £3.4 billion in dividends and share buy-backs in the last three years alone.

Notwithstanding this grotesque financial parasitism, the TUC is offering the airline companies a "new bespoke, sector-wide, crisis support plan and package for aviation, with oversight from a new sector panel with representation from unions, businesses and government."

The German government's €9 billion Lufthansa bailout is the model they have in mind, with unions there having agreed massive cuts to pay and conditions and the axing of at least 22,000 jobs while further cementing their corporatist "social partnership."

The TUC's new "recovery panel" would "discuss and agree detailed plans for the sector and oversee their implementation," including "commitment to a union-negotiated limit on redundancy rates across the sector."

Under the subtitle "Protecting jobs," the document spells out the unions' agreement with job destruction: "In response to the immediate crisis the government must work with unions to agree a deal which locks in a fair and manageable decline in employment. This decline will vary, as appropriate, across the different sub-sectors of aviation."

The section continues, "The maximum rate of decline proposed by Unite the Union, of 10% of their workforce in this financial year, represents an illustrative example. This cap on redundancy rates must be applied to any and all forms of government support extended during the crisis, including any loans extended at commercial rates."

If Unite's stated redundancy cap is enforced, this will mean the destruction of 4,500 jobs at BA, 1,500 at EasyJet, 1,750 at Ryanair and 1,350 at Airbus.

On Tuesday, Unite began talks with EasyJet and the British Airline Pilots Association (BALPA) on cutting 1,900 jobs, including more than 700 pilots. The airline plans to close three of its UK bases—London Stansted, London Southend and Newcastle.

Over the weekend, the *Sun* newspaper reported that BALPA had reached a separate deal with BA to sack 350 pilots, with a further 300 to be placed on half pay in a rehire “pool.” The deal was reportedly “awaiting sign-off” by BALPA and company executives.

Under the deal, other crew members would face a 15 percent pay cut, with just 7.5 percent of this returned once normal flights resume. Industry analysts warn it could be seven years before flights return to anywhere near their pre-pandemic levels.

An insider with knowledge of the BA talks told the *Sun*, “The deal is done. Balpa union negotiators are happy, but it has not yet been put to members for ratification.”

BALPA denied the report, but on Monday the *Daily Mirror* cited an unnamed BALPA official who merely stated they had, “*not yet* reached an agreement with the airline on any proposed job changes.” (emphasis added)

The *Sun* reported on Sunday, “Last night Unite agreed to begin negotiations with BA bosses over the airline’s controversial staff proposals.” To date, neither BA nor Unite have publicly denied this claim, with Unite’s press officer telling our reporter yesterday, “As far as I know, there are no negotiations scheduled.”

Regardless of whether formal talks have begun, Unite’s pro-company agenda was underscored by two events in recent days.

On Saturday, financial website This Is Money reported on “a highly unusual call held by union Unite with 37 City analysts.” Unite officials reportedly pitched their own proposals for BA, based on a report they commissioned from Sheffield University accounting professor Adam Leaver.

According to summary notes from the meeting provided by Unite, Leaver’s paper argued there was “no need to ‘fire and rehire’ the workforce” as BA is not facing a “long-term profitability crisis” but “a short to medium term liquidity crunch which can be resolved by loans from parent company IAG.” Unite suggested that “BA could raise funds through IAG’s Qatari shareholders, by issuing bonds, by accessing debt or by taking up loans offered by government. And if all that fails it could apply for the Government’s new ‘Project Birch’ bailout scheme for large firms. Lufthansa have already taken a €9bn rescue deal with the German government, why can’t BA?”

The response of City analysts to Unite’s meeting was indicated by This Is Money’s headline, “City analysts say union leaders ‘delusional’ if they believe British Airways does not need to make deep cuts to survive,” with the article concluding, “One analyst on the Unite call warned that investors would not be willing to stump up money without major restructuring at BA.”

Earlier, Unite officials met with investors from BA’s parent company IAG. A Reuters report of the meeting was headlined, “In battle against British Airways, trade union goes to investors,” but contained few details. It cited Unite executive officer Sharon Graham who claimed BA may be stripped of valuable landing rights at Heathrow due to cross-party opposition among lawmakers to the airline’s slash-and-burn restructuring. Unite has won support for its nationalist #BABetrayal campaign among Labour, Liberal-Democrat, and Conservative MPs who will quickly denounce any industrial action by workers in defence of their jobs if it threatens “the national interest.”

Mass opposition exists among pilots, cabin crew and ground staff, who are bitterly opposed to plans to slash jobs and reduce them to a low-wage, on-call workforce. Moreover, unlike the 1980s, when trade union and Labour bureaucracies could isolate workers on a national basis, today’s opposition among airline workers is unfolding globally among an interconnected workforce of millions.

The Socialist Equality Party advocates a unified political struggle by airline workers across the world, including strikes and mass protests, to oppose all cuts to jobs, pay and conditions. The aviation industry must be run for social need not corporate profit! The airline companies’ wealth must be seized to provide decent pay and working conditions for all pilots, cabin crew and ground staff, and safe and affordable travel for the world’s population.



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