German federal government demands faster destruction of Lufthansa jobs

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In spring of this year, the German airline Lufthansa received government aid to the tune of €9 billion, to the adulation of the unions. However, it quickly became clear that these funds were being used to streamline the company, trimming it for profit at the employees' expense.

Now the German government is demanding these measures be expanded and the axing of jobs accelerated. Lufthansa is to be made more competitive in relation to other European airlines and prepared for a worldwide trade war. The pandemic is being used to accelerate the implementation of the industrial policy goals set out by the Grand Coalition government of the Social Democrats (SPD) and the Christian Democratic Union (CDU). This policy was dubbed earlier this year by Economics Minister Peter Altmaier (CDU) as the "National Industrial Strategy 2030."

In its most recent issue, the leading German news magazine *Der Spiegel*published a detailed background article on the matter. Under the headline "Lufthansa nosedives despite billions in aid," the magazine first reports the dramatic decline in Lufthansa's passenger count and flight hours. "The numbers are scary: the airline is burning 350 million euro per month. Losses reached 5.6 billion euro in the year to September; 410 of the 763 Lufthansa planes are mothballed on the ground."

The article then quotes from an ostensibly secret Ministry of Economics document. Government officials are said to be dissatisfied with the company management. The board of directors must take much tougher measures, otherwise the company will run out of money in the coming year, it states. The "directive from Berlin" is that the company must "downsize as quickly as possible: fewer planes, fewer employees." Personnel costs would "eat the company up if nothing is undertaken to prevent it."

The *Spiegel* authors write that the government is dissatisfied despite Lufthansa CEO Carsten Spohr's announcement of 26,000 job cuts and the ongoing restructuring program, called "Lufthansa-New-Tomorrow," which includes drastic reductions of jobs in the cities of Bremen, Dresden, Cologne, Leipzig and Nuremberg, including the closure of the Bremen flight school.

So far, these were just "pieces of the mosaic, not yet a real restructuring concept." Officials and politicians in Berlin are "losing patience with Spohr," casting doubt on his being "the right man for tough cuts." "If Lufthansa were flying at 10,000 meters, the trained pilot Spohr would be the right man," says a "high-ranking government official." But currently, Lufthansa is only at 2,000 meters, "and the mountain tops are damned close."

The German government is supporting the demands of major stakeholder Heinz Hermann Thiele, who in March increased his share of Lufthansa to 15 percent and is now calling for a "viable restructuring program ... that's deserving of its name." According to Thiele, most important is that costs are immediately and enduringly reduced through "comprehensive job cuts." At least 30,000 jobs must be cut and as quickly as possible.

Thiele is known for his ruthless capitalist methods. The 79-year-old multi-billionaire, who according to Forbes is one of the 100 richest men in the world with assets of €13 billion, grew his company, Knorr-Bremse, to become the world market leader in brakes for trains and commercial vehicles. He left the employers' association in 2004. He demands 42-hour workweeks from his employees, seven hours longer than the collective agreements of the metalworking industry allow. He is partial to stashing his billions in tax havens.

Even now Thiele is demanding the dissolution of collective agreements, which he calls out of date and untenable "in light of the catastrophic situation." Either the executive board and the unions must renegotiate these deals and accept significant reductions in pay and social contributions, "or Lufthansa must terminate the agreements," he says.

Thiele is "a tough guy," writes *Der Spiegel*, but adds, "However, the federal government sees the situation very similarly."

At the end of the *Spiegel* article, another approach is suggested, a "radical move" to get rid of all collective agreements and pension costs in one fell stroke: The "protective shield procedure," an insolvency in self-administration. *Der Spiegel* writes: "Some influential managers in the aviation group are already playing out what advantages a protective shield procedure would yield: After three months, any employment contract could be terminated. Collective agreements would be null and void."

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This threat is primarily intended to help the unions push through further wage reductions, job cuts and worsened working conditions over the objections of the workforce.

The three trade unions represented in the company already play a key role in making the draconian austerity measures possible. These are the Independent Flight Attendants Organization (UFO), the Vereinigung Cockpit (VC) and, of course, Verdi, which has always functioned as the house union at Lufthansa. All three are represented on the Supervisory Board, with Verdi functionary Christine Behle holding the influential and lucrative position of deputy chairwoman of the Supervisory Board.

The trade unions are deeply involved in all strategy debates. Many austerity measures and cutback programs were and are conceived and elaborated directly by the trade union. All three unions agreed to the government's multi-billion-euro rescue package and even called for rallies in support of it.

The trade unions continue to support the government and criticize the company board around CEO Spohr from the right. They denounce his restructuring concept as insufficiently far-reaching and consistent.

With Christine Behle, who has been a member of the governing SPD for 27 years, Verdi was directly involved in the negotiations with the government on the Lufthansa rescue package. Behle assured the Executive Board and the shareholders that Verdi was prepared to make massive cuts, but that a restructuring concept would have to be presented that would make Lufthansa competitive in the face of the crisis and growing competition on the international market.

In an earlier interview with *Der Spiegel*, Behle emphasized that the union had always been and continues to be prepared to negotiate and make concessions. "That capacities have to be reduced is an economic decision that is not inherently false." She firmly rejected strikes and industrial action.

When asked by *Der Spiegel* whether there was "any chance at all" of "preventing or even striking against large-scale job cuts," not only at Lufthansa but also at other European airlines, Behle replied: "In such a situation, strikes make no sense." What is needed is "simply reasonable cooperation."

The two other unions likewise support the government's demands for restructuring, trying to outbid each other with savings proposals at the expense of the workforce.

UFO already signed an agreement with Lufthansa this summer to save the company half a billion euros by the end of 2023. Considering the 22,000 cabin employees of the parent company to which the agreement applies, this means an average loss of income of €23,000 over three-and-a-half years.

The savings will be realized by suspending wage increases, shortening working hours with a corresponding reduction in wages, reducing contributions to the company pension scheme and cutting jobs. In addition, there will be "voluntary" measures, such as unpaid leave, further reductions in working hours and early retirement. Those affected will thus lose not only a large portion of their current income, but also their future pension provision.

In April, Cockpit offered up annual savings of €350 million in compensation to pilots at Lufthansa, Germanwings, Lufthansa Cargo and Lufthansa Aviation Training. A 45 percent salary cut was on the table. In the meantime, the pilots' union has negotiated a crisis package with cuts totaling €850 million through June 2022.

We wrote this summer on the WSWS: "The events at Lufthansa unequivocally show the bankruptcy of the unions and their perspective." This is being demonstrated anew every day.

For decades, the trade unions have subordinated the interests of the workers to the profit interests of the corporations. In Germany and in most other countries, there is no mass layoff or plant closure that does not bear the signature of the unions and their works councils.

At Lufthansa, the unions are now going so far as to support the destruction of tens of thousands of jobs and massive wage and social cuts in the name of "rescuing the company." They are working closely with the Grand Coalition and supporting the "National Industrial Strategy 2030." Just like the government and the business associations, the trade unions are of the opinion that both the coronavirus pandemic and the US election must be seen as an opportunity to make German companies competitive and prepare them for global economic war.

The crisis in the aviation industry—as in all other sectors—cannot be addressed on a capitalist basis nor within a national framework. It requires the expropriation of the corporations and their transformation into democratically controlled, public institutions that serve the needs of society rather than profit.

Aviation workers must break with the bankrupt unions and build independent action committees that network internationally and across corporations to organize the defense of jobs and wages and fight for a socialist program. In this, the WSWS pledges to support them.

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