

German unions offer Lufthansa up to 50 percent compensation reduction

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The three trade unions represented at Lufthansa have agreed to wage cuts, benefit reductions and dismissals that surpass all the concessions made by the unions to date.

The pilots' union Cockpit (VC), the Independent Flight Attendants Organization (UFO) and Verdi, which represents the approximately 35,000 ground workers and functions as Lufthansa's house union, are literally outbidding one another other with concessions.

According to their own statements, they are offering the Lufthansa board of directors a 1.2 billion euro cut in the income of union members.

In the spring, Cockpit agreed to reduce pilots' salaries by up to 50 percent and to maintain that level until the end of the year. On Wednesday, Cockpit announced that this salary cut would be extended until the end of June 2022.

In addition to reduced hours and the attendant pay reduction, the package imposes concessions in salaries and pensions, VC explained. VC President Markus Wahl said, "These additional concessions, along with those agreed to in the spring, total over 600 million euros. This corresponds to salary reductions of up to 50 percent compared to the pre-crisis period."

The UFO signed an agreement with Lufthansa in the summer that will save the airline group half a billion euros by the end of 2023. Averaged over the 22,000 cabin employees of the parent company to which the agreement applies, the deal means a loss of income of €23,000 per worker over three-and-a-half years.

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

Last Wednesday, Verdi approved a separate agreement

for ground personnel. By immediately waiving vacation and Christmas bonuses, foregoing allowances and accepting a wage freeze until the end of 2021, "the ground workers are producing a savings contribution of more than 200 million euros to overcome the crisis," explained Verdi Vice Chairman Christine Behle, who is also vice chairwoman of the Lufthansa Supervisory Board.

The company's human relations director, Michael Niggemann, boasted in *Manager Magazine* that the agreement with ground staff meant that personnel costs for the employee group could be cut next year by up to 50 percent.

German trade unions have never before agreed to such a cut—some 1.2 billion euros—in the income of their members. It marks a new point of departure for union sellouts. Averaging out the impact among 130,000 current employees, the deals will cut per-worker income by nearly 10,000 euros.

And that is not the end of it.

Verdi functionary Behle declared last Wednesday that this was an "initial result" that had been achieved after "tough negotiations." Talks on further cost-cutting measures from 2022 onwards were in early stages.

All three unions and their works councils are laboring intensively on cutting more jobs. They are compiling lists of redundancies and holding individual meetings to push termination agreements, constantly increasing the pressure on employees. During the summer, a reduction of 22,000 employees was described as inevitable. Now job cuts have been increased to at least 30,000.

On the other side of the table, board members and shareholders are pocketing millions. A glance at Lufthansa's 2019 Annual Report shows that the immediate impact of the coronavirus pandemic is being used as a pretext to implement a long-planned, radical restructuring of the group, which had up to now failed due

to employee resistance.

In the face of global competition and intensifying trade wars, the aim is to “slim down” the group, increase productivity and efficiency, and trim all areas so as to increase profits.

Last year—long before the pandemic—revenues had already fallen significantly compared to 2018, and profits had slumped by 44 percent.

In the same period, the salaries of the six members of the board of directors increased significantly to a combined total of almost 14 million euros. Group CEO Carsten Spohr alone received almost 4 million euros. The annual report states: “Not included in this figure: Pension provisions for the members of the Board of Directors active in fiscal 2019 amounted to €16.7 million (previous year: €12.4 million).”

In addition, there was “payment from stock programs of €3.465 million for the six members of the Management Board” and “running payments and other compensation to former members of the Management Board and their surviving dependents.” These outlays amounted to 6.4 million euros.

The trade union officials and works council members who sit on the corporate board also made a killing, above all Verdi functionary Christine Behle, who, as deputy chairwoman of the Supervisory Board, received 140,000 euros last year.

She was followed by Christina Weber (works council, Verdi), Alexander Behrens (UFO board member until May 2019), and Joerg Cebulla (Cockpit Association), each receiving 110,000 euros.

Ilja Schulz (ex-president of Cockpit) collected 100,000 euros. And 80,000 euros went each to Christian Hirsch (Verdi), Klaus Winkler (works council, Verdi), Olivia Stelz (UFO), Holger Benjamin Koch (spokesperson for the executive staff) and Birgit Rohleider (representative of employees not covered by collective agreements).

The 10 so-called employee representatives on the Supervisory Board received a total of €1,070,000 for their close cooperation in the cost-cutting measures and dismissals.

During the summer, the *World Socialist Web Site* published the article “Germany: Lufthansa and the bankruptcy of the unions,” in which we stated:

The events at Lufthansa clearly show the bankruptcy of the trade unions and their perspective. For decades, they have subordinated

the interests of the workers to the profit interests of the corporations, within the framework of “social partnership.” There are no mass dismissals or plant closures in Germany that do not bear the signature of the trade unions and their works council representatives. At Lufthansa, the unions are now going so far as to organize rallies for a ‘rescue package’ that includes the destruction of tens of thousands of jobs and massive wage and social cuts!

With the 1.2 billion euros in concessions in the new contracts, the transformation of the unions into management enforcers defending the interests of the corporations and the government is obvious. In the midst of the deepest global crisis of capitalism in 75 years, the unions are determined to decimate the living standards of workers in order to defend the profits of “their” national corporations in the international trade war—not only at Lufthansa, but also in the automobile, construction, steel, chemical and all other industries.

It is time to break with these corrupt organizations. Jobs, wages and social achievements can be defended only in a rebellion against the established unions. For this it is necessary to build independent action committees that network internationally and across companies and organize the struggle to defend jobs and wages.

This requires a socialist perspective that does not proceed from the profits of the capitalist owners, but the interests of the working population. The crisis in the aviation industry cannot be solved on a capitalist basis and 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.



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