Lufthansa increases job cuts to almost 50,000

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Resting on the close collaboration of Verdi and the other airline unions, the Lufthansa Executive Board is stepping up its cost-cutting measures. The already announced reduction of 30,000 jobs is being accelerated and increased to almost 50,000.

In the spring, the German government provided the company with a rescue package worth €9 billion. This money will now be used to organise an unprecedented retrenchment, destroying the livelihoods of tens of thousands of workers and their families in what is a jobs massacre at state expense with the support of the trade unions.

On Monday, *Focus-Online* magazine published a report on the effects of the coronavirus pandemic on Lufthansa. It states that the already announced and commenced reduction of 29,000 jobs will not be stretched out to the end of next year but will be completed in the next three weeks, by the end of the year, meaning compulsory redundancies are unavoidable.

"But that is by far not all," the article states. The airline had also sold off its catering subsidiary LSG's European business, with 7,500 employees, and next year, another 10,000 jobs are to be slashed in Germany. "Those who stay at Lufthansa should forgo their salary—others will be laid off," *Focus-Online* writes. A company spokeswoman confirmed a corresponding report in *Bild am Sonntag* over the weekend.

This massive attack on the jobs and incomes of employees is not the inevitable result of the flight cancellations and falling passenger numbers due to the coronavirus crisis, as the company management and union officials claim in identical statements. If this were the case, employees—who are, in any case, largely being financed by the state via short-time work compensation—could receive interim payments from the rescue fund until after the crisis.

The coronavirus is not the cause but serves as a pretext for enforcing long-planned and long-prepared restructuring measures, combined with job and wage cuts and worse working conditions. The goal is to build up Lufthansa as a leading European airline and make it highly profitable for investors—i.e., to trim it for profit and position it successfully for international competition.

The pandemic is being used to accelerate the industrial policy goals of the grand coalition of Christian Democrats and Social Democrats, which Economics Minister Peter Altmaier (CDU) presented at the beginning of last year as the "National Industrial Strategy 2030."

The German government is working closely with major shareholder Heinz Hermann Thiele, who increased his shareholding in Lufthansa to 15 percent in March. Last month, he had called for a "viable restructuring programme worthy of the name." According to Thiele, the most important thing is that costs be reduced immediately and sustained through "comprehensive job cuts."

Thiele is known for his ruthless capitalist methods. The 79-year-old multibillionaire has assets of €13 billion and is one of the 10 richest people in Germany. He built his company Knorr-Bremse into the world market leader in brakes for trains and commercial vehicles by radically intensifying the levels of exploitation. He makes employees work 42 hours a week, seven hours longer than in metalworking companies covered by collective agreements.

The unions also support the federal government's "National Industrial Strategy." Although they still call themselves "employee representatives," they collaborate closely with the government and management and play a key role in pushing through dismissals, wage reductions and social cuts.

To combat this social devastation and defend jobs and wages, it is necessary to understand the function and role of the trade unions and their works council representatives. Their top officials sit on company supervisory boards, advise management on all personnel matters, and draw up the strategic plans to implement the cuts—i.e., the social attacks. For this, they are rewarded with princely earnings, in addition to being bribed with high emoluments. In total, the 10 so-called employee representatives on the Lufthansa Supervisory Board have received €1,070,000 for their close cooperation in the elaboration of savings measures and redundancies.

The works council and union representatives implement the cuts programmes, compile the list of layoffs, persuade employees to sign termination agreements in one-on-one

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talks, exerting blatant pressure and threatening anyone who resists with being placed on the layoff list. At the same time, they organise the occasional noisy protest to blow off steam while doing everything to suppress any serious struggle to defend jobs.

At Lufthansa, the role of the unions takes drastic forms. In recent months, all three aviation unions have signed downgrading agreements that dwarf all the concessions and give-backs made by the unions.

The pilots' union Cockpit (VC), the Independent Flight Attendants Organisation (UFO) and service union Verdi, which represents the approximately 35,000 ground workers and acts as Lufthansa's de facto in-house union, are seeking to outbid each other in terms of the social cuts. According to their own statements, they have offered the Lufthansa board of directors a €1.2 billion cut in employee incomes.

Cockpit already agreed in the spring to reduce pilot salaries by up to 50 percent by the end of the year. On Wednesday, the union announced that this salary cut would be extended until the end of June 2022. In addition to short-time work, the package provides for concessions in salaries and pensions, VC said. "The concessions agreed this spring, and those now additionally offered, amount to a total of over €600 million. This corresponds to salary reductions of up to 50 percent compared to the pre-crisis period," VC President Markus Wahl said.

UFO signed an agreement with Lufthansa in the summer, which will save the company half-a-billion euros by the end of 2023. For the 22,000 cabin crew 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 realised 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 using unpaid leave, further reductions in working hours and early retirement. Those affected will thus lose not only a large part of their current income but also their future pension provisions.

At the beginning of November, Verdi also agreed to a downgrading agreement for the ground staff. By immediately waiving vacation and Christmas bonuses as well as a wage freeze and waiving allowances until the end of 2021, "the ground staff are making a savings contribution of more than €200 million to help overcome the crisis," explained Verdi Vice-chair Christine Behle, who is also deputy chairwoman of the Lufthansa Supervisory Board. By reaching an agreement covering ground staff, up to 50 percent of the personnel costs of this group of employees could be saved next year, rejoiced Michael Niggemann, head of Human Resources.

It is a first for the trade unions in Germany to agree on such a wages give-back totalling €1.2 billion. This takes on a new dimension of union sell-outs and is encouraging management to take even tougher action and drastically accelerate job cuts.

In the summer, WSWS published the article "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 and 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 organise rallies for a 'rescue package' that includes the destruction of tens of thousands of jobs and massive wage and social cuts!"

The events at Lufthansa expose the transformation of the unions into management consultants defending the interests of the corporations and the government. Faced with the deepest global crisis of capitalism in 75 years, they are determined to decimate workers' living standards to defend the profits of "their" national corporations in the international trade war—not only at Lufthansa but also in auto, engineering, steel, chemical and all other industries.

It is time to break with these corrupt organisations. Jobs, wages and social gains can only be defended in a rebellion against the unions. The Sozialistische Gleichheitspartei (Socialist Equality Party, SGP) calls for the establishment of independent rank-and-file committees that network internationally and across corporations and organise the struggle to defend jobs and wages.

This requires a socialist perspective centred on the interests of working people, not company profits and the enrichment of shareholders. The crisis in the airline 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 the drive to increase profits.

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