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Unions set out challenge on airline crisis

Unions representing hundreds of thousands of aviation workers today challenged the industry, governments and bodies such as the ILO, IATA and ICAO to get together to tackle the effects of the global financial crisis on the airline industry.

Meeting in London from Wednesday to today (Friday), the Civil Aviation trade union members of the ITF set out its strategy to reduce the human effects of the crisis, which is hitting cabin crew, pilots and ground-based personnel around the world. The three day meeting included a briefing from Dr Geraint Harvey and Professor Peter Turnbull, authors of the ILO (International Labour Organization) report *The Impact of the Financial Crisis on Labour in the Civil Aviation Industry* (which can be seen as a working paper at www.ilo.org/public/english/dialogue/sector/themes/crisis/aviation.pdf)

Key findings of the meeting included that the aviation sector is going through structural change and the current crisis is not simply yet another cyclical dip. In practice, this means a drive for permanent restructuring by companies with the low cost carrier (LCC) model as a key driver, and an increasing emphasis on regional and global networks. This is happening against backdrop of a weak global economy and financial markets; intense competition from a well-developed LCC sector; and a strong drive by governments towards deregulation and 'open skies'.

Delegates also heard how labour cost competition with LCCs is effectively pointless as their operation costs remain significantly lower than full service carriers (FSCs – ie 'legacy' airlines) due to a leaner mode of operation throughout. FSC airlines which cut jobs and wages in response to LCC competition are not gaining a competitive advantage. What they are doing though is hurting workers and potentially jeopardising good industrial relations. FSCs should be playing to their strengths in an industry that has room for them and for the vibrant FCC market – where profitable airlines such as Southwest have proved that fares can be kept low at the same time as staff can be well treated and listened to by their employers.

As well as the human impact of cost cutting, its potential effect on health and safety – with turnaround times being increasingly reduced – was highlighted. All the delegates and the

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unions and workers they represent came out firmly against greater deregulation and privatisation of what used to be a much more stable and well-regulated global industry.

Gabriel Mocho, ITF Civil Aviation Secretary, commented: “With the help of Dr Harvey and Professor Turnbull, and the input of representatives of the world’s aviation workers, we’ve come to better understand what is happening and how it must be tackled.”

He continued: “Our immediate priorities now are to: highlight the human cost of the crisis to aviation workers, including on their health and safety; explain that just cutting labour costs isn’t helping good airlines compete better, and that deregulation is damaging this industry. Lastly, and maybe most importantly, we have to repeat our call for everyone involved – governments, employers, workers and bodies like ICAO, IATA and the ILO – to join in a dialogue on how we can preserve what’s good about this industry without hitting those within it even harder than they already have been.”

“We particularly have to wake up governments to what is going on, and remind them that it’s not just banks that need saving.”

He concluded: “Today we pledged ourselves to supporting and defending the people working in this industry – who are not responsible for this crisis and should not have to pay the price for it – whatever the economic conditions that might be thrown at us.”

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