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ETF CALLS FOR AN AVIATION RESCUE PLAN AND EU FUND TO HELP PROTECT A STRATEGIC INDUSTRY

Civil aviation workers are very heterogeneous - from aircrew, over air traffic management to ground handling, catering and cleaning - all of them together make this industry work. The industry is vital to the connectivity and economy of Europe. It has been amongst the first industries to be impacted by the COVID-19 crisis, and will be one of the hardest hit. Support at this time is about ensuring there is a lifeline for the sector that will ensure that it will still be there once we come through the pandemic.

In addition, all aviation workers are severely affected by this crisis, but some categories and workers in some countries are hit harder than others. For those workers, the crisis goes beyond the health concerns, it is about keeping a job and ensuring there are meals on the table and a house for themselves and their families in the next two weeks and beyond. It is an imperative today that Europe and its Member States act to protect this weakest link in aviation.

Low-paid and precarious workers

In large parts of aviation – notably but not only in service providers – precarious work prevails over traditional work contracts and zero-hour contracts or temporary agency work are booming. At the same time, the salaries are significantly below the national average and in some cases even below the poverty line. These groups of workers were immediately affected by the COVID-19 crisis as they had no reserve to fall back on.

A European rescue plan

Taking inspiration from the CARES Act¹ recently adopted in the United States, the ETF calls on the European Institutions and Member States to put in place a rescue plan consisting of a direct support for workers as well as financial aid to aviation-sector companies. This should have the form of additional EU funding dedicated in priority to the weakest EU countries which have been affected by COVID-19 according to the principle of solidarity.

The direct assistance should cover all categories of workers including precarious work (e. g. agency, zero-hours contracts) and besides financial support, it should include measures aiming and job retention and protection of workers' income. These measures should be supported by practices from EU countries such as temporary suspension of work or sharing the remaining amount of activity, as in the case of the "Cassa Integrazione Guadagni" in Italy, the "ERTE" in Spain or the "Kurzzeitgeld"

¹ Coronavirus Aid, Relief, and Economic Security Act (CARES): the bill allocates \$25 billion for passenger air carriers, \$4 billion for cargo air carriers, and \$3 billion for contractors. Those funds must be used to pay employee wages, salaries, and benefits. The amount that each carrier receives specifically is based on the amount they paid employees from April 1 to September 30, 2019.



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in Germany. To support those schemes, the ETF calls upon a swift implementation of the EU Coronavirus Response Investment Initiative.²

Such financial assistance can only be granted if the respective company respects concrete job retention and income protection measures. All aviation companies must be aware of their social responsibility and to make sure that their most valuable asset, the workforce is being adequately protected.

Any financial aid to aviation-sector companies should also be conditional on a ban on pay-out of dividends to shareholders in 2020 (as a minimum) and a ban on stock buybacks by companies.

Financing

For a long time, the free market in aviation has prevailed over workers' rights. It is therefore time that the EU demonstrates its added value not only to customers but also to all European aviation workers. As a historical answer to a crisis of an unprecedented dimension, the ETF therefore proposes that the rescue plan should be financed through a specific European aviation fund. As in the case of the CARES Act, the fund would provide a balance between direct support to workers and financial aid to aviation-sector companies. The EU and Government support is also important in terms of keeping a level playing field between Europe and the United States who are two significant players on the global aviation market. It would also preserve a significant part of the transport infrastructure of a key global region.

Job protection in face of state aid and reckless companies using the crisis as a pretext for dismissals

Several Member States announced short-term work, job protection and salary assistance schemes. A number of governments have yet to approve salary assistance schemes which leaves the most vulnerable workers without any protection. Where there is protection some states only guarantee 60 per cent of the monthly wage, which for low wages is clearly not enough to survive. Our affiliates have also reported that in several cases, employers did not make use of the salary assistance schemes and rather decided to permanently dismiss workers or forced them to take unpaid leave under the pretext of the COVID-19 crisis.

Role of social dialogue

The ETF and its affiliated unions are relentlessly working to defend workers and their jobs during this crisis. Social dialogue at European, national and company level must be a leading principle for the implementation of such rescue plan. The participation of workers' representatives is indispensable in order to ensure a balance between the economic interests of companies and the need to protect workers.

In conclusion, as ETF, we believe that Europe must ensure that every single European citizen can eat and has shelter to remain safe in these critical moments, and that this is the moment where the European idea of integration and democracy has to materialise for the working people and specifically for the most vulnerable.

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http://dsms.consilium.europa.eu/952/Actions/Newsletter.aspx?messageid=41974&customerid=5691&password=enc_4544373234323332_enc



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