

Work Package 4

Industrial Relations during and since the Covid-19 lockdown in Spain¹

Jesús CRUZ VILLALÓN, Seville University

Magdalena NOGUEIRA GUASTAVINO, Madrid Autonomous University

Patrocinio RODRÍGUEZ RAMOS, Seville University

Rafael GÓMEZ GORDILLO, Pablo Olavide University

Part I: Impact of COVID-19 on the Air Transport Sector

1) What has been the general evolution of the sector from the perspective of its income, expenses, profits, and losses? What has been the impact of COVID-19 on the economic or financial situation of companies? Have there been any bankruptcy or liquidation processes of companies in the sector?

Infectious diseases are factors of change that have a great impact and generate uncertainty in the aviation sector². Previous pandemic episodes have peaked within one to three months, after which travel activity returned to pre-outbreak levels within six to seven months. However, in the case of COVID-19, the forecasts indicated that recovery would probably take more than 6 months³.

In Spain, according to INE (National Institute of Statistics)⁴, the slowdown in economic activity as a result of COVID-19-derived restrictions on mobility particularly affected the transport sector. In the first quarter of 2020 and, above all, in the second, the service sector activity indicators showed historical drops in turnover, with transport being among the most affected services, and, within this, air transport has suffered the steepest drop. Specifically, in 2019 Spanish air transport had an annual turnover of approximately 12,985 million euros⁵, while in 2020 the annual turnover fell to 5,187 million euros⁶, which represents a reduction of 60 %. However, as soon as restrictions are lifted, a strong recovery begins, so that, in monthly terms, while the turnover in August 2021 was 95.65

¹ The information in this report is necessarily complemented with that offered in the power point presented by the group from Spain and which is attached to this National Report.

² International Air Transport Association (IATA) (2018). Future of the airline industry 2035, p. 13.

³ Pierce, B. (2020). COVID-19: Updated Impact Assessment, IATA, March 24, presentation no. 9, who adds that all previous pandemics were acute V-shaped, but there was no recession.

⁴ INE. Newsletter 07/2020.

⁵ https://www.ine.es/prensa/eess_2020_d.pdf

⁶ https://www.ine.es/prensa/eess_2020_d.pdf

million, it increased to 180.98 million in the same month of 2022, almost doubling the results⁷.

According to the above, the loss of passengers during the second quarter of 2020 in air transport was the largest within the EU compared to the same period of the previous year (61.6 million fewer passengers), representing a drop of 98.5% compared to the same quarter of the previous year. This figure began to recover as soon as restrictions derived from the pandemic were lifted. Thus, while in 2020 the number of passengers was 58.69 million, in 2021 it rose to 93, and in the period January-August 2022 alone the figure reached practically 132 million⁸.

According to the airport management company in Spain (Aena), during 2021, already in the recovery period of recovery of normality in mobility, the number of passengers of the main airlines increased considerably compared to the year 2020. Ryanair remained the leading airline in Spain in number of passengers: 23.5 million, compared to 13.5 million the previous year. Vueling and Iberia were in the second and third positions, respectively, with increases of 74.21% (from 12.8 million to 22.3 million) and 58% (from 6.2 million to 9.8 million), compared to the previous year. Air Europa, Binter, Iberia Express, and Air Nostrum also experienced very similar increases: 1.1; 1.7; 2 and 1.8 million, respectively.

According to data from the Ministry of Transport, in the period January-June 2022, the total movement of passengers in Spanish airports reflects a percentage increase of 287.7% in the comparison between 2021 and 2022, but if the period of analysis is from 2019 to 2022, the percentage variation in the total movement of passengers in Spanish airports reflects a negative result of -17.9%. This means that although the situation and activity in the sector have improved markedly, the figures are still not comparable to those before the pandemic.

The Iberia and Vueling group of companies (IAG) reported profits in the second quarter of the year (2022), thanks to the recovery of traffic; in this way, the losses of the semester were reduced to 654 million; compared to losses of 967 million in 2021 in the same period, which means that income is already only 28% below pre-pandemic. However, the first half of 2022, was still weighed down by the poor evolution of the first, which coincided with the outbreak of the war in Ukraine and the final moments of the pandemic. These better data in the second period are due to the recovery of traffic and the good expectations that there were then for the summer. Until June, IAG reached 72% of the capacity that it had operated in the same period of 2019 and for the rest of 2022 it is expected to reach 80% in the third quarter and 85% in the fourth quarter. However, good forecasts are marked by some uncertainties; the increase in the price of fuel, due to the war in Ukraine, is one of them. According to IAG, fuel expenses increased by 2,069 million to 2,566 million.

⁷ <https://www.ine.es/consul/serie.do?d=true&s=IAS2532&nult=15>

⁸ Reports on Air Transport in Spain. Ministry of Transport, Mobility, and Urban Agenda, <https://www.mitma.gob.es/>

2) Have there been any corporate restructuring processes in the airlines, mergers, takeovers, or dismemberments of the different existing business groups?

If the evolution of the number of existing airlines in Spain is analyzed, a significant decrease is observed: In 2021, there were 150 companies operating in this sector, while in 2019 there were 201⁹. Thus, it can be considered that the global spread of the new coronavirus seriously affected the aviation sector in Spain, although other factors may also have an influence.

The main business restructuring process that has taken place in the sector, which has not yet been completed, has been the one that has affected the IAG group and Air Europa. The IAG group (made up of Iberia, Iberia Express, Vueling, and British Airways) converted a loan of 100 million granted to Air Europa into shares of the latter airline, assuming the condition of the second largest shareholder of Air Europa (20% of the titles) with the ultimate goal of shortly controlling 100% of Air Europa. For this, you must obtain authorization from the European competition authorities, hoping to have the purchase plan presented by 2023. If such an authorization is obtained, Barajas Airport would become the international hub of Latin America.

From the point of view of the importance of the transport and storage sector in the Spanish economy, the percentage of employees in this sector over the total number of employees has oscillated, with an upward trend, between 4.7% and 5.2% between the years 2008 and 2020. These values are very similar to the average of the EU-27 countries.

The number of employees in the air transport sector in Spain has undergone a decrease process, from 53,400 employees in 2019 to 49,200 in 2021¹⁰.

3) How many airlines are still state-owned? Has the privatization process of airlines been accentuated?

After the privatization process carried out in Spain in recent decades, there are currently no state-owned airlines, without changes as a result of COVID-19.

4) Have financing lines been established or have airlines been restarted?

During COVID-19, a significant set of measures have been adopted to deal with the most damaging consequences of the pandemic and promote the subsequent reactivation of the economy. According to Eurofound, Spain, since March 2020, has agreed to 100 measures in the context of the COVID-19 pandemic, the Ukraine war, digital transformation, green transition and restructuring companies. Most of the cases belong to the category Promotion of economic, labor, and social recovery, with 26 cases (26%).

A simple chronological review of the list of royal decree laws published during this period reveals the quantitative importance of emergency legislation. From the first rule of March 2020 until the end of 2021, more than 24 Royal Decree laws can be counted that discipline

⁹ OTLE based on data from the INE (EPA). Last update, 20 May 2022.

¹⁰ OTLE based on data from the INE (EPA). Last update, 20 May 2022.

aspects that, to a greater or lesser extent, affect the airline sector. Among these regulations, highlight Royal Decree-Law 25/2020, of July 3, on urgent measures to support economic reactivation and employment, which established a series of measures to support the solvency of strategic companies. Specifically, it created the Fund to support the solvency of strategic companies, attached to the General State Administration, through the Ministry of Finance, and managed through the State Industrial Participation Company (SEPI).

The invasion of Ukraine has caused a new disturbance in the economic and social situation in Europe. Although Spain is among the member states of the European Union least exposed to the direct effects of the invasion of Ukraine (the diversification of gas supply sources is very high and the commercial, investment and financial relationship with Russia and Ukraine is modest), indirect economic effects are considerable, mainly through the increase in the price of gas and oil, but also through the increase in prices or scarcity of other agricultural and mineral raw materials. In this scenario, a Royal Decree Law of March and another of June 2022 contain measures for the various transport sectors but exclude air transport¹¹.

ALA (Association of Air Lines), an organization that represents practically all airlines operating in Spain, has expressed its dissatisfaction with the situation, stating that it is not only the only means of transport excluded from the anti-crisis measures contained in the renewed Shock Plan in response to the War in Ukraine, but also a Royal Decree Law of August 2022 imposes new economic obligations on the sector¹², by establishing that operating and maintenance expenses, as well as investments necessary for the implementation of the Entry and Exit System (SES) to control the external borders of the Member States, are re-imposed on airlines via airport fees, in compliance with Regulation (EU) 2017/2226. Therefore, it calls on the government to adopt measures to support the sector that help reduce the burdens they bear, and thus help them cushion the consequences of this crisis due to the armed conflict. One of these measures, in his opinion, would be the assumption by the State of all the costs derived from the health security measures against COVID-19 carried out at airports, as well as from the implementation of the SES. Another measure would be the formulation of subsidies for the production of sustainable fuels (SAF) that would ease the burden on airlines in their transition towards the goal of net zero emissions.

In this context, Spain has provided government support to airlines based in our country. The amounts, according to the OECD, are below the aid granted in Germany, France, Holland, or Italy¹³. In addition, they focus on the smallest airlines by number of travelers and, in addition, companies that were already in a difficult situation moment before the

¹¹ RDL 6/2022, of 29 March, and RDL 11/2022, of 25 June.

¹² RDL 11/2022, of June 25.

¹³ https://read.oecd-ilibrary.org/view/?ref=1060_1060081-7ag4dym0ob&title=COVID-19-and-the-airline-industry

pandemic. Specifically, in our country, airlines have benefited from the following assistance¹⁴:

Air Europa: 475 million from the rescue fund for strategic companies of the State Industrial Participation Company (SEPI) whose term expires in 2026 (240 million in a participative loan and 235 in ordinary credit) .

Volotea: 200 million, all of which are channeled through participatory loans.

Air Nostrum: 111 million, all of which is channeled through a participating loan.

Plus Ultra: 53 million, 34 million in a participating loan, and 19 million in an ordinary credit.

Part II: Impact of COVID-19 on Employment in the Air Transport Sector

1) Has there been an overall reduction in employment in the sector as a result of layoffs, dismissals, or redundancies?

In general, the pandemic has caused the suppression of employment in Spain in what affects the extinction of the pool of workers temporarily hired by companies, while the reorganization as a result of the implementation of remote work, as well as suspension procedures of contracts and reductions in working hours as alternatives to layoffs, has managed to contain the destruction of employment among employees hired for an indefinite period. According to Social Security data, in the labor market as a whole, almost 900,000 affiliations had disappeared in the second half of March 2022, as a result of the first measures against COVID. In Spain, in the air transport sector, it has followed the line of the rest of the sectors, although based on the specialty of having a lower rate of temporary hiring compared to the rest of the labor market, with the exception of cabin crew, where temporality is notable. In any case, in comparative terms, the destruction of employment in air transport has been less than in other sectors. Specifically, job destruction in this sector is estimated at around 40,000 jobs, broken down as follows: British Airways 12,000, Lufthansa 10,000, SAS 7,000, Norwegian 4,200, Virgin Atlantic 3,200, Ryanair 3,000, Flybe 2,000, Wizz Air 1,000¹⁵.

2) Have any measures been taken to suspend work contracts or reduce working hours (kurzarbeit)?

In Spain, an important group of measures adopted during the pandemic has been aimed at protecting employment, by creating an alternative internal adjustment mechanism to the destruction of employment, through suspensions of employment contracts or reductions in the working day. (ERTE), with strong public support for the loss of employees' compensation and significant exemptions in Social Security contributions. This measure has managed, in return, to avoid intense use of layoffs and has allowed a

¹⁴ <https://www.sepi.es/en/press-room/news/the-consejo-de-ministros-authorizes-new-aid-with-charge-to-the-support-fund>

¹⁵ Proven Fact 2 of the National High Court Judgment (Social Chamber, Section 1) of October 18, 2021, no. 215/2021, AS 2021 1843.

rapid recovery of employment once the restrictive measures due to COVID have been lifted. Up to 3.4 million employees and 550,000 companies have benefited from these measures of temporary contract suspension and reduction in working hours. What has happened in general for the labor market as a whole with this type of measure, has also been reflected in the transport sector; it can be said that even with greater intensity insofar as in the latter area it has not been possible resort to remote work to the same extent, since it has only been possible to use it for complementary activities of internal services.

Focusing on transport and storage activity, for the sector as a whole during 2020 the number of employees affected by these temporary suspension or reduction measures reached a total of 97,728 employees. Specifically, in terms of air transport, various airlines have benefited from these measures, especially through the most beneficial modality, which was justified for reasons of force majeure: Ryanair, Air Europa, etc.

Iberia: about 18,000 employees affected.

Norwegian: Almost 1,000 cabin crew were affected.

Air Europa: about 3,500 employees, who come to represent 90% of its flight workforce.

Ryanair: approximately 1,500 employees, while their Ryanair pilots have had to take a 50-65% pay cut.

Air Nostrum – A total of 348 cabin crew.

EasyJet: 700 employees in Spain, including pilots, cabin crew, and ground personnel.

Iberia Express: a total of 711 employees, to which is added that those hired directly through a broker were fired.

Vueling: for its 3,800 employees in Spain.

The use of the ERTE figure due to force majeure, in the long term and as air traffic returned to normal, has been criticized by some groups of employees from two perspectives. An initial one, demanding the return to negotiation processes with the representatives of the employees (ERTEs due to force majeure do not require consultation with such representatives) in order to recover the working conditions prior to the pandemic; another, concerning the peculiar use of the figure among the pilots. Some companies, given the particular characteristics of the schedules and schedules of the air crews, have taken advantage of the foresight and purpose of the institution to concentrate most of the work on reduced shifts. The inclusion or removal of these measures, moreover, has been used as a mechanism for many employees to recover their usual rhythm of work, with a number of hours of flights similar to the pre-pandemic, but with the difference that such hours are concentrated in certain days and not throughout the month. This situation, logically, this situation limits the possibilities for the worker to plan their time, reconcile, and even know what they are going to receive as salary and unemployment benefit at the end of the month.

3) Have the rates of temporary or part-time employment in the sector changed?

The high rate of temporary employment in the Spanish labor market is one of its most notable and differential characteristics. Spain leads the European ranking of temporary employment, with a difference of almost 12 percentage points over the average of the European Union average. The latest labor reform at the end of 2021 aims to correct this situation for the labor market as a whole through the following actions, where the first

data seem to be giving certain results, although it is still too early to make a conclusive assessment.

In the absence of specific data on the air transport sector, it can be indicated that temporary hiring is mainly concentrated in the services sector. However, in some companies, the number of temporary jobs is lower than that of the whole population. For example, in Iberia at the height of 2022, with respect to a total workforce of 15,100 employees, only 807 were temporary and the rest had different types of permanent contracts. In reality, what happened is that the destruction of jobs as a result of the pandemic was concentrated among employees, since they represented more than 2,700 employees in the pre-pandemic period.

4) Is there an increase or decrease in self-employment, zero-hour contracts, or the use of temporary employment agencies?

The pandemic and the subsequent recovery period do not appear to have produced notable changes in Spain in terms of self-employment or the use of temporary employment agency services. In Spain, in general, the zero-hour contract mode is not admitted, since there must be an agreed predetermination of the working day and its distribution in part-time work.

In addition to the above, some airlines (such as Ryanair and Wizz Air) use some procedures to avoid direct employment relationships with those who perform services for them. For example, Ryanair hires workers through the intermediary companies (Crewlink and Workforce) that it owns, which are then made available to Ryanair itself. In some cases, these specific companies hire 'self-employed' workers with suspicions that they could be false self-employed. Of course, in the case of Ryanair, a pre-agreement has been signed in July 2021 with the SEPLA union to begin gradually incorporating all the pilots who operate as false self-employed into the workforce.

5) Are changes in recruitment practices, hiring procedures, or possible discriminatory practices detected at this stage?

One of the problems that has arisen in general in Europe is that of finding qualified labor after the pandemic. Some employees in the sector, during COVID-19, have left it, seeking employment in more stable activities. The rebound in activity in the airline sector after the lifting of restrictions has meant that some companies cannot find a workforce that has left the sector. However, this phenomenon is not detected in Spain, given that the contractual suspension and reduction system in working hours has slowed labor mobility to other sectors, and companies have been able to meet their new employment needs with the pools of employees in a temporary inactivity. Even the loss of employment caused among the pool of temporary contract employees does not seem to be causing the problem of a lack of labor detected in other European countries.

6) What is the employment situation at the time of the removal of restrictions on air traffic and the resumption of air traffic intensity? Has employment recovered fully or have some of the situations adopted during the pandemic been maintained?

Despite the uncertainty that stems from the war in Ukraine, high inflation, rising energy prices, and the challenging economic outlook in the fall, the reality of flight operations in summer 2022 has been positive. This has meant the return to work of practically all employees who were affected by the measures to suspend contracts and reduce working hours, although not to the extent of fully recovering pre-pandemic employment levels. In these circumstances, companies like Ryanair have plans to increase their workforce. Specifically, this company plans to open a new pilot training center in Spain or Portugal, and plans to hire 1,000 new pilots and 2,000 or 3,000 new cabin crew, and in the next five years, create 6,000 new jobs. The opening of a new Easyjet base in Malaga in April 2021 led to the creation of 100 new jobs.

Part III: Impact of COVID on Working Conditions in the Air Transport Sector

1) What kind of occupational health and safety measures have been taken to deal with the impact of the pandemic on workers in the sector?

In general, in addition to the particular risks that affect the cabin crew and pilots (exposure to radiation, jet lag, injuries caused by luggage or carts, burns from kitchen equipment, violent behavior by passengers -air rage), the pandemic has also affected workplaces in the aviation sector, especially in areas related to the safety and health of workers. Regarding professional risks, disorders, cancellations, and restrictions caused by COVID-19 have been shown to generate civil aviation employees¹⁶.

In Spain, during COVID-19, certain measures were adopted to take care of the health and safety of the population, in general, and those who had to carry out essential activities, in particular. The use of individual protective equipment and masks was generalized measures.

A July 2020 Royal Decree law incorporated a series of measures related to economic reactivation in the transport sector and the protection of the health of workers and travelers¹⁷. These restrictions were issued in accordance with operational guidelines for the management of air passengers and aviation personnel in relation to the COVID-19 pandemic, adopted by the European Union Agency for Aviation Safety (EASA) and the Center for Disease Prevention and Control (ECDC). The aforementioned provisions have been repealed in August 2022; in view of the favorable evolution of the health emergency, it has eliminated the mandatory application of the operational guidelines that were established as recommendations in the European Union. This is intended to avoid the imposition of additional obligations to those required in the European Union, in a context of reactivation of the sector and tourism associated with the holiday period.

A March 2021 rule imposed the mandatory use of masks by those over six years of age as a general measure in all spaces, specifically including air transport. The average has

¹⁶ ILO, Sector Briefing Note, COVID-19 and Civil Aviation, 9 April 2020, p. 2.

¹⁷ Royal Decree-Law 26/2020, of July 7.

been made more flexible in certain areas and spaces, but is currently still mandatory in air transport.

From another perspective, recovery of air traffic is causing major delays and cancellations of flights that, according to EASA (European Aviation Safety Agency), directly affect the level of fatigue of flight crews. It recommends that the national authorities that supervise the operators guarantee compliance with the activity and rest requirements provided for in the FTL standard when scheduling flight activities. In particular, they must focus on how operators avoid crew fatigue to ensure an adequate level of safety in all operations and circumstances.

In the air transport sector, the application of health and safety measures has caused some conflicts that have had to be resolved in court. Therefore, the courts have established the obligation of the company to recognize and pay pilots and crew members the days and hours of work rescheduled as a result of the administration of the COVID vaccine to them.

2) Have measures been taken to contain or reduce the wages of workers in the sector, and have public support mechanisms been put in place to compensate for the reduction in wages?

In civil aviation, the personnel expense item had been the main item, but after the pandemic and the increase in the cost of fuel derived from the war in Ukraine, it has been surpassed by the fuel expense item. However, given the limited possibilities for airlines to influence the price of fuel or the cost of the aircraft, the only way airlines control costs is in relation to labor costs¹⁸. This action in Spain has been produced, above all, by low - income companies. Ryanair agreed in July 2020 a reduction of all salary concepts for a period of 4 years, including the first year 10% of them for TCPs and 20% for pilots, not recovering the salaries in force at the date of the decision until August 2024; it also decided to temporarily abolish the productivity bonus. These salary reduction measures have also occurred in some companies in the air transport value chain, such as the Public Air Traffic Management Company (ENAIRE), where the general measures are to suspend contracts or reduce working hours.

However, considering that the measure with the greatest impact in Spain has been the total or partial interruption of work activity, through contractual suspension or reduction of working hours, the practice of reducing working hours has not been as widespread. On the contrary, in some cases, the public contribution that replaces wages through social security benefits, which does not cover all the remuneration of the employees' remuneration, in some airlines has been complemented with contributions from the companies themselves. This contribution stands out as a singularity because it constitutes an exceptional business practice compared to the rest of the productive sectors where it is an almost unknown business conduct. Thus, for example, Iberia Express during the pandemic has supplemented the wages of workers with their suspended contracts.

¹⁸ ILO, "Civil aviation and changes in its working environment' (GDFCAI / 2013), Department of Sectoral Activities, Geneva, 2013, pg. 24.

Apart from what has happened with the general social agreement at the top of a tripartite nature, during the pandemic, collective bargaining on wages has been especially complicated, to the point that almost all the processes of renewing collective agreements were interrupted, although this coincided with a period of practical freezing of the increase in inflation. Subsequently, the slowdown in economic recovery, high inflation, and the divergence of positions between the social agents regarding the most appropriate measure to face the new challenges are causing agreement on wage increases to be not achieved. Although during the harshest moments of the pandemic, unions prioritized maintaining employment over the demand for higher salary increases, overcoming COVID-19 and beginning recovery leads to a change in the criteria in union demands.

The general evolution of the agreed salary variation in the air transport sector highlights two important singularities: a much higher percentage of salary variation in 2021 than that of the rest of the transport subsectors (7.12% compared to 1.17% in land and pipeline transport and 0.76% in maritime transport and inland waterways); In the air transport sector, the annual percentage variation at the company level has been lower in all years than that achieved at the level above the company (in 2021, 4.17% at the company level, compared to 7.33 in the sectoral sphere), contrary to what is more usual in the rest of the transport sectors. This is important considering that, in relation to flight personnel, collective agreements are company-specific agreements.

3) Have the flexible working time management schemes been modified?

During COVID-19, between the two modalities of widely extended measures to face the paralysis of business activity, as alternatives to dismissals, the most widely used by far has been contractual suspension, so that it has had much less impact the use of reduced working hours. However, in the field of air transport, since it has not come to a complete standstill, among airlines, there has been a more significant use of reducing the working day, with a corresponding reduction in salary compensated by public benefits Social Security to workers who partially interrupted their work activity. The procedure established for this purpose was remarkably agile, so that the companies have been able to carry out this measure easily, immediately, and in most cases without consultation procedures with the employees' representatives.

4) Were any measures adopted specifically aimed at helping those with caring or family responsibilities?

The health crisis showed that remote work could be an effective mechanism to ensure the maintenance of activity during the pandemic and to guarantee prevention against contagion. However, for flight personnel working for airlines, whose service is intrinsically linked to the movement of aircraft, these measures are ineffective. Furthermore, during the pandemic, there have been certain conflicts between pilots and TCP derived from difficulties in organizing work time due to its negative impact on reconciling family responsibilities.

However, during the pandemic, the government launched a plan of measures aimed at promoting the reconciliation of work and family life (MECUIDA)¹⁹. The right of employees to adapt their working day and/or reduce it when there are exceptional circumstances of care for family members due to contagion is included. These are general measures that are also available to airline personnel, although disaggregated data on the use of these measures in the specific sector are not available.

5) Since the return to normal air traffic, has there been a complete return to previous working conditions or have some of the measures adopted during the pandemic been maintained?

Some of the measures adopted during the pandemic have been progressively eliminated, while others have been incorporated as permanent with specific profiles into the legal system. Among those eliminated, we would cite above all the obligation to work remotely where it was technically possible or the limitations on the powers of adoption of dismissal measures by companies. Among those maintained, although with a new regulation of a structural nature, is the new regulation of the procedures for reducing working hours and suspending work contracts, as well as a complete regulation of remote work.

Regarding specifically airlines, after the pandemic, practically all workers whose contracts had been suspended have returned to work, although there has been a net loss of employment due to the destruction of initial employment between temporary employees who have not yet recovered. In some companies, the salary reductions that were adopted during the pandemic are maintained.

Part IV: Impact of COVID-19 on Industrial Relations in the Air Transport Sector

1) Have there been changes in the union structures or in the density of union membership during the pandemic in the aviation sector?

The union density in the aviation sector is very high, higher than in other sectors, and has not changed during the pandemic or after it was overcome. According to data from the OECD, the general evolution of the percentage of trade union membership in Spain has been decreasing in general over the past two decades, although this is not relevant for two reasons. On the one hand, because in general in Spain union strength does not depend on membership but on the results of the elections to company committees and staff delegates; In the specific case of airlines, there is a generalized system of negotiation by professional stripes (pilots, TCP, ground staff); what is relevant is direct voting by all workers to legitimize the unions to negotiate their collective agreements. On the other hand, because in the specific sector of air traffic, there has not been a general reduction in the rate of affiliation, so it continues to be very high among airlines and their value chain.

¹⁹ Royal Decree-Law 8/2020, of March 17, on extraordinary urgent measures to deal with the economic and social impact of COVID-19, article 6.

Specifically, the pilots' union (SEPLA), according to unofficial data, has 7,000 affiliated pilots, which represents a very high figure²⁰. Of these 7,000 members, there are about 4,500 pilots active about 4,500.

2) Has the balance of power between workers' representatives and employers changed since the lockdown of Covid-19 in the aviation sector?

The air transport sector is characterized by fragmentation of labor relations, in such a way that there are very few sectoral agreements, with company collective agreements predominating. In addition, each company usually concludes several independent collective agreements for each professional group of employees: pilots, TCP, ground crew. This does not translate into a scenario of union weakness. In contrast, the pressure and negotiation capacity of unions in this area are strong. The general picture did not change during the pandemic.

Thus, for example, in May 2021 an attempt by the Norwegian company to carry out a large number of dismissals caused a strong union reaction that largely contained it, while a significant increase in compensation was agreed. For those who lost their jobs, while guaranteeing a salary supplement for those who continued.

Even companies such as Ryanair, which have traditionally adopted a policy aimed at making it difficult for unions to establish themselves, in recent times, with nuances, are accepting the representative legitimacy of certain unions that are not close to business positions.

3) Have trade union organizations and workers' representations in companies been involved in the corporate restructuring processes adopted during the pandemic in the aviation sector? In particular, have unions or workers' representatives been involved through information and consultation procedures?

Regarding the generalized measure used to guarantee employment during the pandemic (contract suspension and reduction of working hours), the regulations require only communication with the representatives and not consultation with them when the measures are based on circumstances of force majeure. These measures have been dominant during the first period of the pandemic, with implicit consensus from the union side. In a later phase, these measures were used (employment suspension and reduction of working hours), but for business reasons, which implied the legal requirement of consultation processes with the workers' representatives, in such terms that in the majority of the occasions the measures were reached without trade union opposition, despite the fact that episodes of tension and disagreement did not cease to appear in the implementation of the measures and their return to normality.

²⁰ According to data from AESA, in our country in 2017 there were 6,433 people with an active license to fly a commercial aircraft, a number that had practically remained intact for years.

Once air traffic is back to normal, some companies have reached agreements with workers' representatives to fully recover employment. For example, in January 2021, the pilots' union (SEPLA) reached an agreement with EasyJet to save the pilots' jobs. The agreement was ratified by more than 90% of the company's pilots.

4) Have collective agreements been renegotiated or their content breached as a result of the difficulties experienced by companies during the pandemic, and have there been changes in the structure of collective bargaining?

The structure of collective bargaining in the sector has not changed as a result of the pandemic. Yes, there has been, in general, a standstill in the signing of agreements during COVID-19, which, after the post-pandemic period, has begun to disappear, boosting the renegotiation of collective agreements.

The most relevant collective agreements currently in force are the following.

1. Collective agreement between Iberia and its cabin crew (8 May 2014), signed by the unions CTA-Vuelo, SITCPLA, UGT and CC.OO.
2. Collective agreement between Iberia and its pilots (October 14, 2022), signed by the SEPLA union.
3. Collective agreement between Iberia and its ground staff (15 July 2020), signed by the CCOO, UGT, USO, and ASETMA unions.
4. Collective agreement between Iberia Express and its pilots (BOE, 27 May 2014), signed by the UPPA union.
5. Collective agreement between Iberia and its cabin crew in Madrid (BOCM March 24, 2016), signed by the ATAM union.
6. Collective agreement between Vueling Airlines and its staff, except managers and pilots (BOE April 4, 2017), signed by the CCOO and STAVL unions.
7. Collective agreement between Vueling and its pilots (BOE November 13, 2020), signed by the SEPLA union.
8. Collective agreement between Air Europa and its cabin crew (BOE, October 14, 2021), signed by the SEPLA and UPPA unions.
9. Collective agreement between Air Europa and its person on the ground (7 October 2017) signed by the USO, UGT, and CCOO unions.
10. Agreement between Air Europa and its technical flight crew (5 December 2019), signed by the SEPLA and UPPA unions, subsequently modified (BOE 14 October), signed by the SITCPLA, USO, and CCOO unions.
11. Agreement between Easyjet and its pilots (BOE, 19 August 2019), signed by the SEPLA union.
12. Agreement between Easyjet and its flight technician crew members (8 May 2019) signed by the SITCPLA union.
13. Collective agreement between Air Europa and its ground staff (7 October 2017 in BOE), signed by USO, UGT, and CCOO.
14. Collective agreement between Air Nostrum and ground staff and cabin technicians (BOE January 14, 2019), signed by the USO, UGT, and CCOO unions.
15. Collective agreement between Air Nostrum and its pilots (BOE, 13 May 2020), signed by the SEPLA and UPPA unions.

16. Agreement between Norwegian and its pilots (July 7, 2022) signed by the SEPLA union
17. Agreement between Norwegian and its cabin crew (BOE 22 August 2022), signed by the USO union.
18. Collective agreement between Eurowings and its pilots (17 March 2021) signed by the SEPLA union.

Ryanair and the CCOO union have reached an initial preliminary agreement, which constitutes an important novelty, since, despite the fact that it does not yet involve the formal signing of a collective agreement, which in principle would only have limited effectiveness for members of this union. This is the first time that a negotiation process has been successfully carried out with the unions in this company. The process is not going to be peaceful, because other unions are opposed.

It should be noted that many of these agreements have exceeded the initial period of validity agreed upon, although they continue to be applied until the successive one is renegotiated, which shows the effects of the pandemic on the paralysis of the negotiation processes. Specifically, the renewal of the collective agreements of the cabin crew of the various airlines is proving to be a particularly complicated process. Ryanair, Iberia Express, and Vueling are having problems with the signing of new agreements and collective agreements. In some cases, this situation causes conflict, including calls for strikes.

5) Have there been labor disputes during lockdown or after the removal of restrictions on air traffic and the resumption of air traffic intensity? What are the circumstances, if any, that have determined the absence of disputes during lockdown and the emergence of disputes after the removal of restrictions on air traffic and the resumption of air traffic intensity?

In general, during the pandemic, the mobility restrictions derived from the pandemic have caused a very low number of labor disputes, particularly the almost total absence of strikes. Specifically, this scenario has also manifested itself in the field of the air transport sector. However, with normalcy in the development of social relations and, specifically, in labor relations having returned to normal, important conflicts have reappeared, especially derived from claims to recover the standards of working conditions prior to the pandemic and, especially, the compensation for the negative effects derived from the high growth of inflation. This new emergence of conflicts has also occurred in the field of air traffic, possibly with greater externalization of what has been happening in the rest of the sectors.

Specifically, the summer of 2022 was more complicated than usual before the pandemic. Airport delays, cancellations, and saturations appear to be due to causes that differ somewhat from well-known meteorological incidents, technical failures, or occasional labor conflicts. Some of the disputes that have arisen have even led to union claims before the courts for violation of the right to strike.

If we focus on the air transport sector, the evolution of the number of annual strikes shows that, in addition to 2015, the year 2019 marks a truly unique situation, with a total number of strikes reaching 9,150. In 2020, conflict was also important (767 strikes), although similar to that of 2018, highlighting the notable decrease in conflicts in 2021 and 2022. However, it should be noted that the data do not yet include strikes in the summer of 2022. The main conflicts analyzed by the courts in recent years in relation to the airline sector have been raised regarding the setting of the minimum services that must be provided during this type of strike, as required by our Constitution (art. 28.2 CE), understanding the unions that the government authority's decision to establish such minimum services was an infringement of their right to strike (Ryanair, Easyjet), as well as the abusive practices and pressure exerted by the airline on the striking workers. For example, the National High Court declared that a series of actions carried out by Ryanair aimed at minimizing the effects of the called strike were detrimental to freedom of association and the right to strike.

6) Have there been any legislative changes during the pandemic that specifically affect the industrial relations system in the aviation sector?

During the pandemic, there have been no specific legislative changes in the regulations that govern labor relations in the air transport sector. However, general modifications of labor law are also projected in this sector. Among such modifications, the reform carried out at the end of 2021 in general, may be relevant in what affects the measures aimed at reducing temporary hiring, the determination of the applicable collective agreement in the event of productive decentralization processes via contracts for works and services, as well as the continued application of the collective agreement once its agreed validity has ended until the signing of the new collective agreement that replaces it. Without a precise legislative change, it is also worth keeping in mind the jurisprudential criteria that reinforce the labor nature of certain professional activities formally presented as exercised autonomously and the administrative actions to prosecute abusive business practices in this field, which can accelerate in the airline sector of the processes of conversion of false self-employed workers into subordinate workers for all purposes.

Part V: Conclusions

The COVID-19 crisis has caused the worst economic downturn in aviation history. Generalized restrictions on mobility decreed by various governments have notably affected air transport and, particularly, employment. From the summer of 2021 and throughout 2022, the air traffic situation has improved and, despite the uncertainty resulting from the war in Ukraine, high inflation, the increase in energy prices, and the difficult economic outlook in the autumn, the reality of flight operations in the summer of 2022 has been positive.

In Spain, the main business restructuring process that has taken place in the sector and has not yet been completed has been that of the IAG group and Air Europa. The final result may be full control by the Anglo-Spanish group through the acquisition of 100% of the airline Air Europa.

After the privatization process carried out in Spain in recent decades, there are currently no state-owned airlines.

During the COVID-19 crisis, within the European Temporary Framework and the Temporary National Framework, a significant set of measures has been adopted to deal with the most damaging consequences of the pandemic and promote subsequent reactivation of the economy. According to Eurofound, Spain, since March 2020, has agreed to 100 measures in the context of the COVID-19 pandemic, the war in Ukraine, the digital transformation, the green transition, and restructuring companies. Most of the cases belong to the category Promotion of economic, labor, and social recovery, with 26 cases (26%). Airlines have benefited from significant aid: Air Europa, 475 million credits from the rescue fund for strategic companies of the State Industrial Participation Company (SEPI), 240 million in a participative loan and 235 in ordinary credit; Plus Ultra, 34 million in a participating loan and 19 million in an ordinary loan; Wamos Group, 85 million euros, which will be channeled through a participating loan amounting to 43.35 million and an ordinary loan of 41.65 million.

In general, the pandemic has caused a significant reduction in employment, as air traffic has been significantly reduced. However, with regard to workers with contracts for an indefinite period, employment has been maintained, to the extent that the reduction has been temporary through reduction of working hours or suspension of contracts. Only employment destruction has occurred among temporary workers, whose overall percentage is lower in the airline sector than in the entire employed population. In the same way, the response has been uneven according to airlines, because while in some cases the measures adopted have been immediate and unilaterally imposed, in others, there has been a consultation process with workers.

In Spain, an important group of measures adopted during the pandemic has been aimed at protecting employment, through the establishment of an alternative internal adjustment mechanism to the destruction of employment through a new regime of Temporary Employment Regulation Files (ERTE), with strong public support for employees' compensation and significant exemptions in social security contributions; These measures have been maintained until April 2022, at which time almost all workers have fully returned to professional activity. Approximately 3.4 million workers and 550,000 companies have benefitted from this new instrument during the pandemic.

It is a figure that already existed in our legal system, although until now marginally used. On this occasion, the measure has been very successful in all sectors, including air traffic, to the extent that it has been supported by significant public incentives and restrictions on the possibility of dismissal. All airlines during the pandemic have resorted to a greater or lesser extent to these measures due to force majeure. During these periods, the worker receives an economic unemployment benefit from Social Security, although this does not cover the entire salary. In the case of some airlines, except for what happens in the rest of the productive sectors, it has been completed with an economic contribution by the companies agreed with the unions.

Spain has high rates of temporary hiring, which has been tried to solve through the regulatory reform carried out at the end of 2021, and seems to have successful results. Among flight personnel, temporary employment levels are lower than in the rest of the labor market, although they are especially severe among TCPs. The general reform may also have an impact on this sector.

In Spain, as in other countries, the problem of the lack of qualified labor in the sector after the pandemic has not arisen, given that this problem has been averted with measures that have avoided massive dismissals by contractual suspensions and reductions in working hours. In relation to the employment of false self-employed, the situations are very limited, since the majority of the workers are contracted labor. In any case, where the practice is perceived to be doubtfully lawful, by interposing with third-party subcontractors, some companies have agreed to hire such workers directly as wage earners.

The pandemic has caused an increase in the usual health and safety risks for workers in the airline industry. To this end, certain measures adopted have had important effects: cleaning protocols, personal protective equipment, information on inappropriate practices and stress, confidentiality policies, protocols for detection tests, monitoring of quarantines, etc. As a general protection measure, these workers have also been affected by the obligation to provide personal protective equipment, the use of masks, and the vaccination against COVID-19.

Statistical data show that the gradual recovery of wages that had been taking place since 2015, with the COVID-19 crisis, has stopped and has even been reduced.

The general evolution of the agreed salary variation in the air transport sector shows a much higher percentage of salary variation in 2021 than that of the rest of the transport subsectors; In the air transport sector, the annual percentage variation in the company field has been lower in all years than that achieved in the field above the company, contrary to what is more common in the rest of the transport sectors. This is important considering that, in relation to flight personnel, collective agreements are agreements for predetermined professional groups of employees in the company.

Remote work has become widespread during the pandemic in the services sector, although with a certain ebb once it is over. However, for flight personnel working for airlines, whose service is intrinsically linked to the movement of aircraft, this measure is not operational. Measures such as recoverable paid leave are not feasible through which the company and the worker representatives negotiate how to recover the working hours lost due to the leave.

As a measure to favor conciliation during the pandemic, the MECUIDA plan was approved, which enshrines the right of employees to adapt their working hours and/or reduce them when there are exceptional circumstances of family care. This is a general measure, also available to the personnel of air transport companies, although it seems that it is less effective in the latter for reasons of the speciality of the work in them.

The pandemic has not caused changes in the level of union affiliation and density, neither in general nor in air transport in particular. The high rate of unionization in the airline sector, compared to the rest of the economic sectors, has been maintained for all purposes.

Air transport is characterized by the fragmentation of labor relations in such a way that there are practically no sectoral collective agreements. Furthermore, within each of the companies, there are usually several independent collective agreements for each professional group of employees. This constitutes a traditional source of problems in the sector that has manifested itself intensely during the COVID-19 pandemic and after it has been overcome. In any case, this structure of collective bargaining does not weaken union power, quite the contrary.

The pressure and negotiation capacity of the trade unions in the sector is strong, also depending on the attitude and strategies of each airline toward the workers' representative organizations. Although some *low-company Cost* has maintained a policy of resistance to union implantation, other companies opt for the 'acceptance strategy'. It is even noted that in recent times the companies with practices of a more anti-union nature are changing their strategy, accepting dialogue with some unions not close to their business positions. In today's fully private companies, but which find their historical origin in their character as flagship companies, there is a long tradition of union strength, which is maintained to a great extent despite the consummated processes of privatization for all purposes.

Most of the collective agreements applicable to airline workers, mainly cabin crew, have concluded their agreement term, although they continue to apply for all purposes until the signing of the new agreement that follows, which in some cases shows a scenario of negotiation blockage. After the paralysis of collective bargaining during the pandemic period, the progressive return to economic activity has caused a correlative activation of the negotiation processes, but in many cases without yet having achieved the signing of collective agreements, which is delayed in time, beyond the usual. Renewing agreements is complicated. In general, the representatives of the workers intend to recover the working conditions, fundamentally wages, which they enjoyed prior to the pandemic, and the airlines allege that, despite the recovery of air traffic, the uncertainty and the increase in costs of energy derived from the war in Ukraine, are assuming new problems and increases in production costs to be faced.

In this context, in some cases, there have been partial agreements with some unions rejected by others. The renewal of collective agreements also shows a certain fragmentation between the various unions, as well as an increase in conflicts and strikes by workers.