



Faculty of Social Sciences

FAOS



Industrial Relations in Aviation during C-19

- the Danish Case

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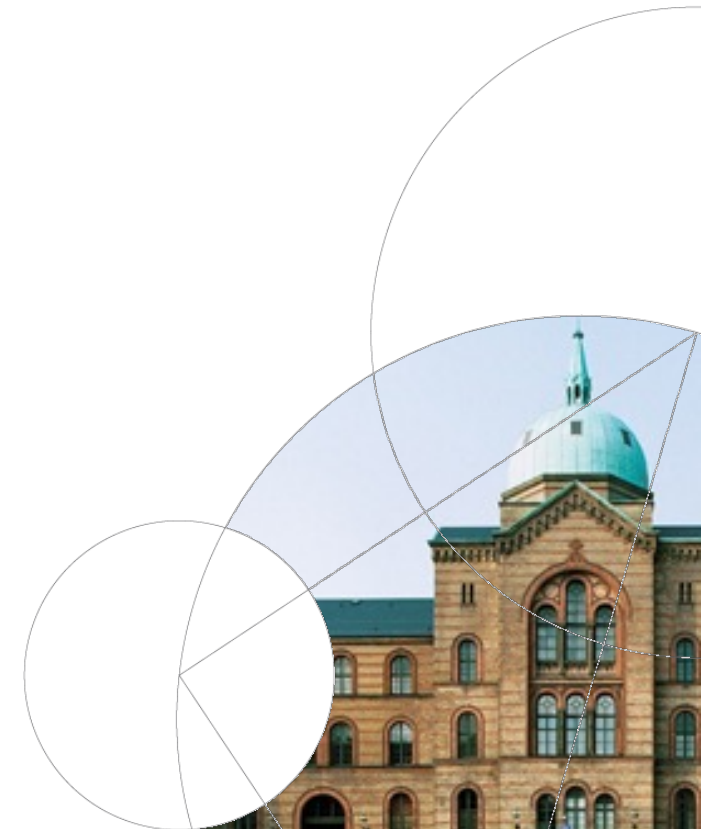
FAOS, University of Copenhagen

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Varieties of Industrial Relations in Aviation Lockdown

Dias 1



Industrial Relations in Denmark

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During C-19



Industrial Relations in Denmark during C-19

When the world closed down 11. march 2020

- Very fast reactions from the three parties – state, employers' organisations and unions
- Relief packages developed fast in tripartite negotiations - with support from an unanimous parliament
- Two collective bargaining rounds during the C-19 crisis
 - Private sector 2020
 - Public sector 2021



Industrial Relations in Denmark during C-19

Private sector 2020

- In the shadows of corona...
- ... but corona was not used in the negotiations
- Social partners insisted on continuing negotiations
→ stability!!
- Result not affected by corona (+3 % on wages)
- Huge yes to the collective agreement
- First time referendum digitally
- → very little political activity a work place level



Industrial Relations in Denmark during C-19

Public sector 2021

- In the shadows of corona...
- ... majority of unions wanted to postpone negotiations due to a very unpredictable economy
- ... but some did insist → veto

- Negotiations a mix btw. real and virtual meetings

- Corona was used intensively in the negotiations by nurses
- Nurses turned down two agreements
→ historic long strike lasting 10 weeks



Industrial Relations in Denmark during C-19

Overall picture

- *The Danish IR model have not changed during or as an effect of C-19*
- *The Danish IR model showed its ability to accommodate fast to changes (tripartite negotiations)*
- *However, nurses were able to use C-19 as leverage to emphasize structural problem in the health sector (not C-19 specific)*



Industrial Relations in aviation during COVID 19

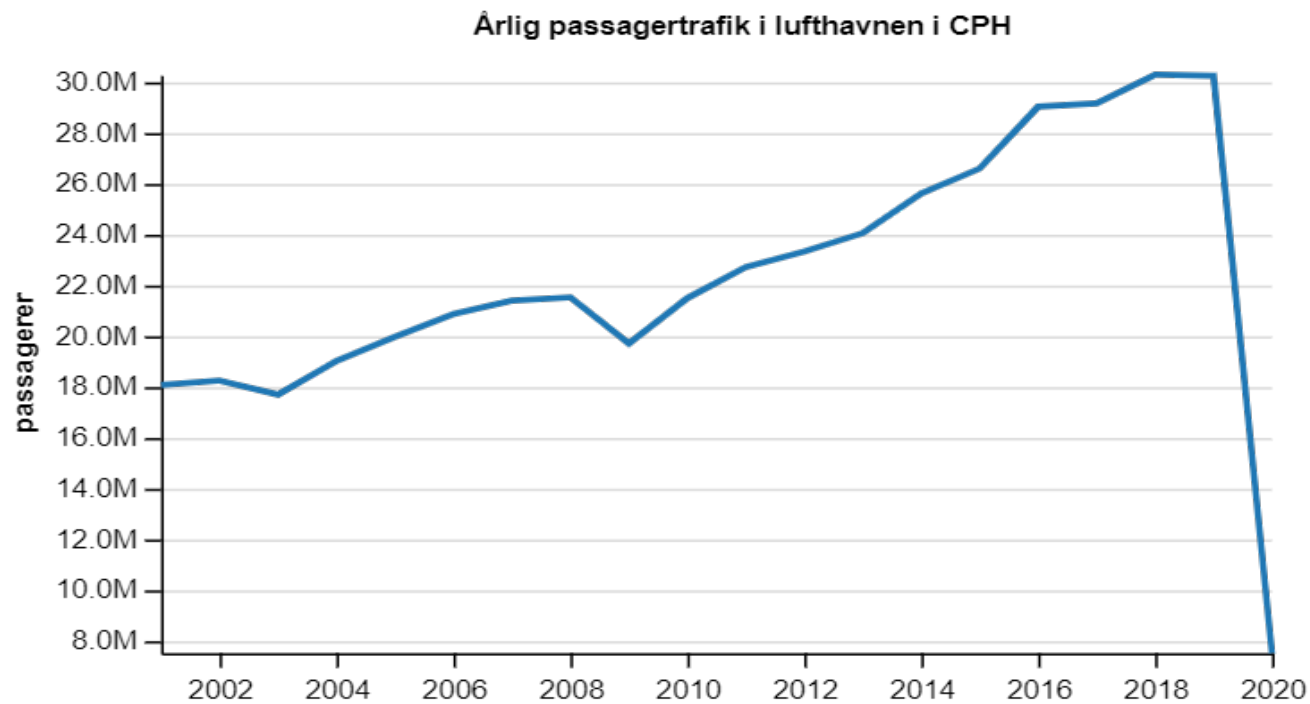
Sted og dato
Dias 7



Economy and passengers

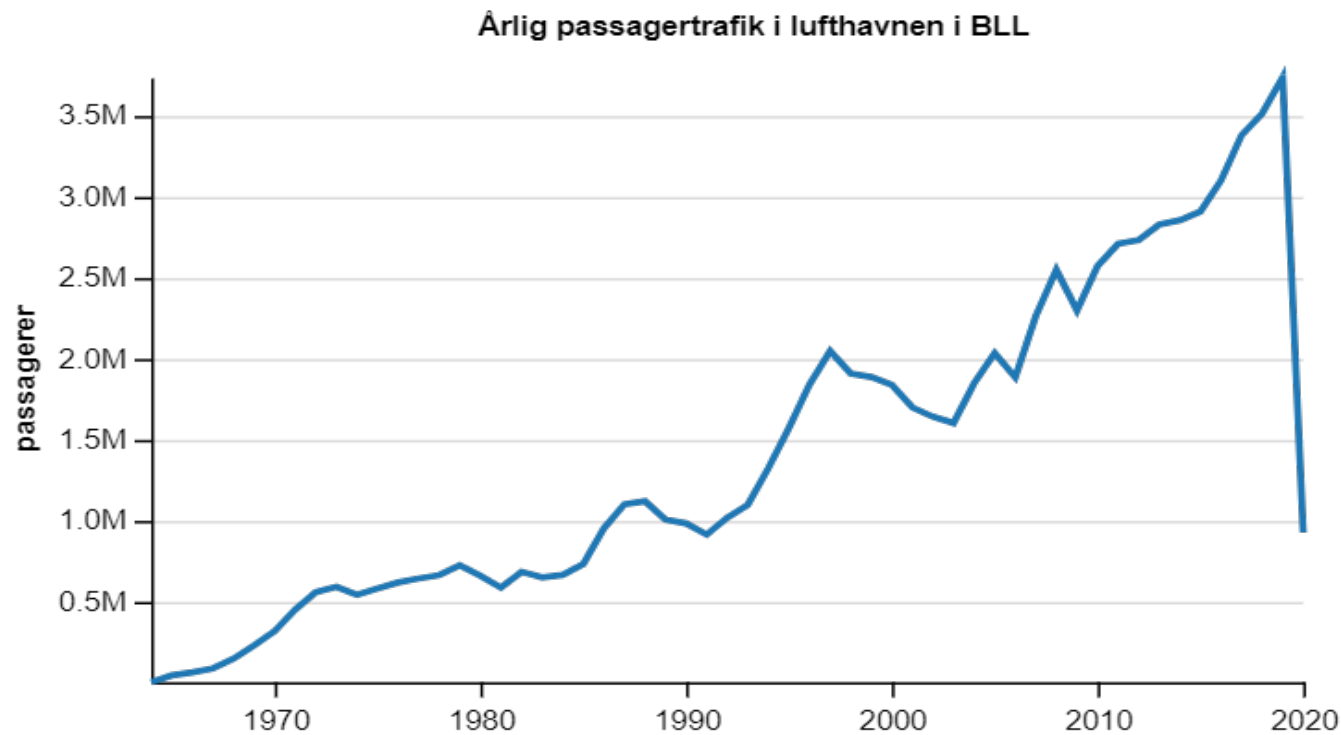
Two airports dominating: Copenhagen (CPH) and Billund (BLL)

CPH 2019: 30 mio. Passenger, the main hub of Scandinavian aviation



Economy and passengers

Billund 2019: 3.7 mio. passengers



Employment

Employment in aviation pre-C-19 incl. direct support functions: 34,000

CPH Airport 2019:

- Københavns Lufthavne A/S as a company: 3,500
- Including connecting jobs: 23,000
- Estimated jobs lost connected to corona in connection with the airport: 10,000

Summer 2020:

- Employment in Københavns Lufthavne A/S: 2,000
 - Including support functions: 14,000
- *(more and more precise numbers will come...)*



Relief packages

Relief packages is an important tool to make a business survive...

... but it is also an important tool for politicians to launch themselves as responsible 'saviours' of the population

Long tradition for tripartite negotiations of major societal issues

- the tool was ready for C-19 relief packages
- very fast solutions (though nobody knew for how long the C-19 would last)



Relief packages

- General relief packages
- Aviation specific relief packages



Relief packages – general

The Wage Compensation Scheme (9. March-29. August 2020:

Result: 113,000 sent home in April 2020 (4%), 103,000 were back in May 2021

Compensation for fixed costs (19. march 2020):

- Minimum 40 % loss due to C-19
- Compensation 25-80 %

Part-time furlough scheme (14. September 2020)

- Employees dividing jobs and getting unemployment benefits for the `missing hour
- An old agreement → Reinforced and made more flexible to accommodate C-19 crisis



General relief packages – does it work in aviation?

Most employees in aviation covered by the general compensation schemes...

...however the schemes are designed for traditional work, not for the fluctuating work schemes in aviation

Schemes fit well for ground personnel... but not so well for flying personnel



Aviation specific relief packages – who benefited?

Airline	Total DKK received in support
Ryanair	5.956.960
Norwegian Air Shuttle	5.954.575
Scandinavian Airlines System (SAS)	5.954.080
DAT	4.859.143
KLM	3.590.985
Deutsche Lufthansa	3.570.238
Wizzair	3.552.951
Atlantic Airways	3.212.441
Air France	2.006.122
Qatar Airways	1.889.573
Emirates	1.874.765
Icelandair	1.746.571
British Airways	1.674.978
Turkish Airlines	1.462.440
Air Greenland	1.423.763



Industrial Relations in Aviation during C-19

Tripartite negotiations → relief packages

→ employers renewed their love with the model...

→ however, the love seems to have vanished now..

And then there is industrial relations in SAS...



IR in SAS during C-19

April 2019: Pilots on strike

- lasting 7 days
- costing 60 million euro (half SAS' profit that year)
- 13 % over 3 years to the pilots
- hostile negotiation culture

February 2022:

- SAS pilots become member of Danish Metal Workers Union (!)



IR in SAS during C-19

April 2022: Collective agreement expires

- Negotiations ongoing w/o a CA
- 7. June: Pilots strike warning to commence 24. June
- 14. June: postponed to 29. June (coordinate with pilots in Sweden and Norway)
- arbitrator postpones strike 2X72 hours
- strike commences 4. july and lasts to 19. july
- costs SAS around 135 million euro



IR in SAS during C-19

The collective agreement btw. Pilots and SAS:

- 25 % wage reduction
- more flexibility (leisure costumers)
- 5½ years running (SAS wanted 10 years)

- employees in SAS Connect and SAS Link is to abolish the CA under Flight Personnel Union and be part of a CA in Metal Union

→ Open war btw. FPU and Dansk Metal



IR in Danish aviation post-C-19 – tentative conclusion

- Employers learned to love the Danish model during C-19....
- ... but the love seems lost today
- Business models á la Ryanair (or at least Norwegian) seem to affect SAS → SAS Connect and SAS Link
- LCCs affect legacy airlines negotiation pattern (antagonistic/hostile)...

... But that is not due to C-19?



IR in Danish aviation post-C-19 – tentative conclusion

IR has not changed in Denmark due to C-19

- rather, it has confirmed the strength of a tripartite institution and obtained support from social partners at work place level

IR has not changed in aviation...

... but it is a turbulent business and some trends might have been boosted by C-19



Challenges in our project

How do we know if something happened in IR because of C-19 – or if it would have happened anyway in a business under pressure?

For example:

How do we know how many jobs are lost to C-19 – or there would have been redundancies anyway?

When can we make the conclusion (post-C-19?)

Or in this case:

- Are negotiations as they unfolded connected to C-19?
– or is it the bad business case of SAS?
- Is the war btw. FPU and Dansk Metal in any way connected to C-19?

