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Varieties of Industrial Relations in Aviation Lockdown



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## **Work Package 4: Impact of COVID-19 on working conditions and industrial relations in the air transport sector in Europe**

### **National report: Italy**

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# Interviews Conducted for WP4

## Employer Organizations

- Assaeroporti
- Aeroporti 2030

## Airline: ITA Airways (Former Alitalia)

- Head of industrial relations

## Trade Unions

- CGIL
  - FILT-CGIL
  - FILT-CGIL Emilia Romagna
  - FILT-CGIL Low Cost Carriers
- FIT-CISL
- ANPAV (Professional Assn. of Flight Attendants)
- ANPAC (Professional Assn. of Pilots)

## Government Ministries and Similar

- Ministry of Labor
- Ministry of Transportation and Sustainability Mobility
- Commission for the Guarantee of the Right to Strike

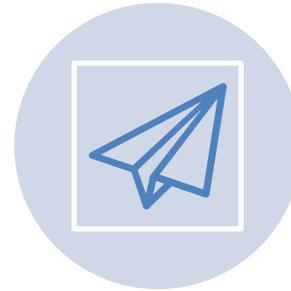
## Subject Matter Experts: 1 Economist + 2 Labour Lawyers

# Impact of COVID-19 on the air transport sector

# Impact of COVID-19 on the Air Transport Sector



Precipitous Decline in  
Air Passenger Traffic



Reorganization of the  
Flagship Carrier Alitalia



Reduction in National  
Carriers



Limited Access to Next  
Generation EU Funds

# Impact of COVID-19 on Employment in the Air Transport Sector

# Impact of COVID-19 on Employment in the air transport sector

Limited **impact on the employment level** of the air transport value chain:

- **Substantial stability for open-ended contract employees** thanks to structural and temporary measures:
  - Massive use of **social shock absorbers**
    - Extraordinary Redundancy Fund - Cassa integrazione straordinaria (CIGS) (Articles 19 ff. Legislative Decree no. 148/2015) and
    - Redundancy Fund in Exception (CIGD) for Covid-19 reasons (Article 22 Law Decree no. 18/2020 “Cura Italia”);
    - Solidarity Fund of the Air Transport Sector (FSTA) (Interministerial Decree 7 April 2016)
  - **National freeze of dismissals** for economic and organisational reasons (Article 41 “Cura Italia”);
  - Structural crisis of airline companies in Italy (Alitalia and Norwegian Airlines and Blue Panorama): the **reserve army of unemployed**
- **More critical employment** situation for **seasonal workers** and **fixed-term contract workers**, particularly in the airports, in handling and catering
  - They had been suspended and dismissed in the first phase and when air traffic resumed it was difficult to recall staff due to:
    - lack of attractiveness (wages and working conditions)
    - need of hiring certified and qualified staff

# Impact of COVID-19 on Industrial Relations in the air transport sector

# Impact of COVID-19 on IR in the Air Transport Sector

- Power relations** shifted in favour of labour in 2002 (EU Court of Justice) and 2022 (post-Covid): high fragmentation of TU
- Conflicts among unions have increased during the pandemic (especially in Ryanair - **the improper use of referendum**)

The pandemic **weakened** the **centralised collective bargaining** along the value chain starting in 2014:

- The introduction of a mandated **minimum wage at the sectoral level** (art.203, “Rilancio” Decree 2020), not yet implemented
- The **emergence of new EAs**: Aicalf (LCC) and Aeroporti 2030 (Airports)
- During the pandemic, the **renewed** national sectoral collective agreement has not been signed by all EAs
- The company collective agreements in LCC have been renewed (Ryanair) or are under renewal (EasyJet)
- **ITA collective agreement**, signed in 2021, is the only one that applies the sectoral NCA but in derogation (-40% of wages)

## Industrial actions:

- **86 strikes in 2021** of which 36 were of national relevance (Commission for the Guarantee of the Right to Strike)
- During summer 2021, coordinated European strikes against LCCs calling for an effective implementation of wage standards
- According to the Commission, the main cause of hardship to passengers during protected strikes is actually due to Ryanair cancelling essential and non essential flights: a strategy to foment conflict between passengers & workers

# Impact of COVID-19 on working conditions in the air transport sector

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- **Pay cut:** on the one hand, company level CA (2.12.2021) grants flight crews wages lower than around **40%** of that fixed by national CA (from 2022 until the end of 2025) due to the pandemic and to facilitate the industrial development of ITA between 2021/2025; on the other hand, the company CA acknowledges **wages rewards up to 10%** for all employees;
- **Legal cases:**
  1. The qualification of the whole operation Alitalia-ITA (Article 7 Law Decree 121/2021) as a **transfer of the undertaking** (Article 2112 Civil Code);
  2. The challenging of the specific agreements selling the Alitalia assets to ITA => disguising of **transfers of company branches** (Article 2112 Civil Code);
  3. Linked to 1) and 2), **class actions** against the **recruitment criteria** applied by ITA, considered discriminatory (e.g. for pregnancy).

# Impact of COVID-19 on working conditions in the air transport sector



Low-cost (focus on Ryanair)



- **Pay cut:** in Ryanair but not in other companies having used social safety nets (e.g. Easy Jet). A recovery agreement recently signed in Ryanair (post pandemic) provides an increase of the basic wage from 50% to 70%;
- Doubts on the employment **contractual typologies** used by Ryanair;
- In Ryanair the **working day** ends after 12.00 am (at 3 or 4 am) but without any additional compensation;
- In Ryanair some **work-related expenses** are still borne by workers (e.g. water and food, parking, medical examinations) without any refund.

# Impact of COVID-19 on working conditions in the air transport sector

## Employment safety in the airports

Since 2019 increase of **passengers attacks against employees (in particular, ground crews) in the whole sector**, especially after the pandemic due to Covid-19 measures (67%), delays and low cost luggage policies;



### The case of **Bologna Airport**

- in 2021 strikes => 29 July 2022 **anti-aggression Protocol** (added to the existing procurement contract Protocol), concluded by Comune di Bologna, Città metropolitana di Bologna, G. Marconi Airport, FILT CGIL, FIT CISL, UIL Trasporti and UGL TA => **first case in Italy**;
- TU have also asked for a **wage bonus** for these risks and increasing stress.

# Recommendations

1. Regulating the air transport sector competition **by law at national level** and setting a **clear national strategy** in the sector;
2. Giving priority to the **green transition**;
3. Applying the **National CA** to the whole sector, especially concerning the airlines;
4. **Protecting TU** from the risk of being considered the only responsible of the users inconveniences in case of strike, due to the low cost airlines cancellations;
5. **Preserving the employment level** through **social safety nets** also due to the workers' expertise required in the sector and investing in training => to face the crisis;
6. Enhancing **initiatives at EU level**, especially strengthening **the role of EU social partners**.

Thank you!



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