

# KEEPING THE SKIES OPEN IN A GLOBAL PANDEMIC

BY HUW THOMAS AND PETER TURNBULL  
ISSUE 23 // 26TH MAY 2022

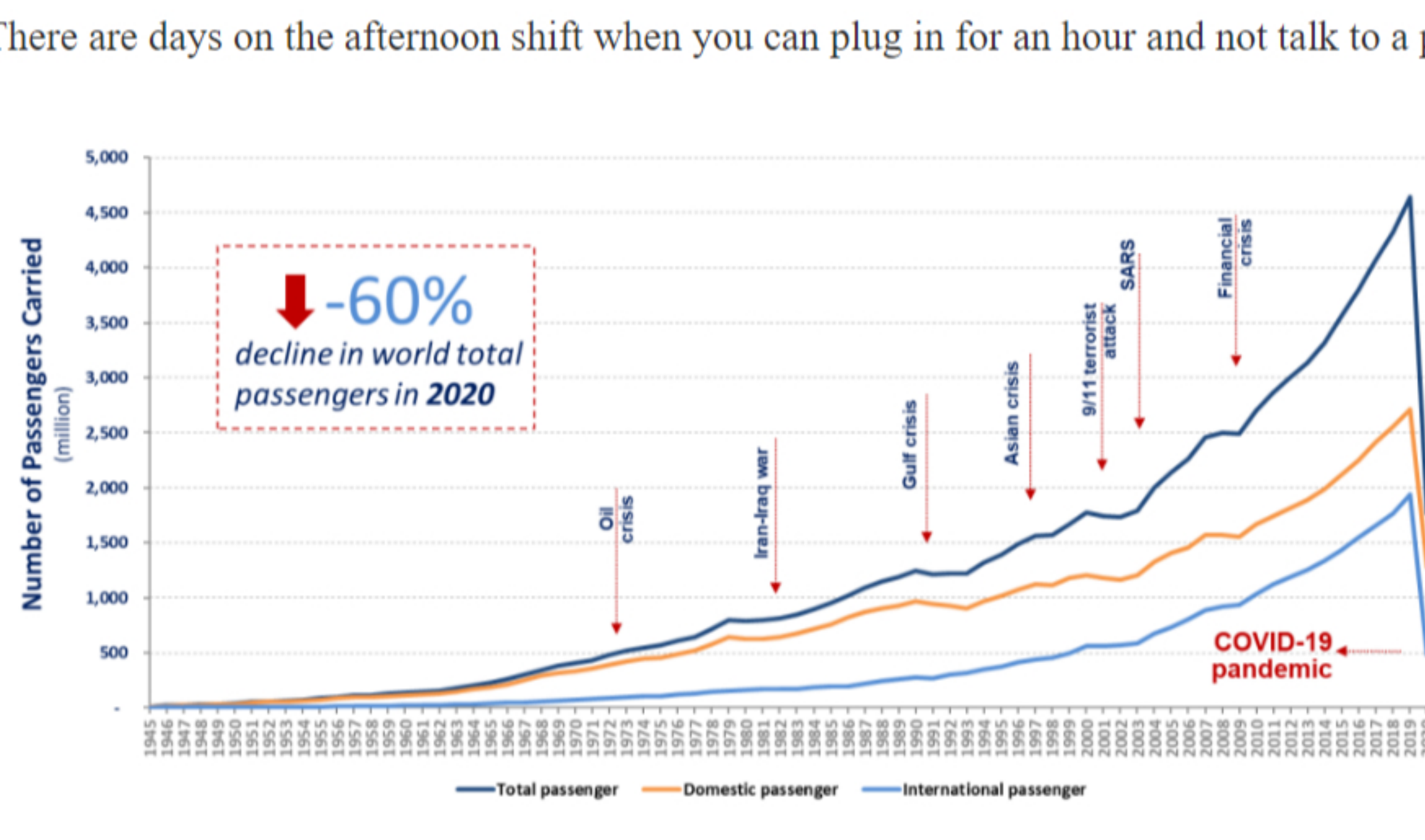
COVID-19 has hit air transport harder than most economic sectors. As international borders were closed, and domestic travel curtailed, passenger traffic plummeted by 60 per cent in 2020. Airlines suffered economic loss of \$169 billion and thousands of workers lost their jobs.

While airlines parked aircraft and laid off staff, Air Navigation Service Providers (the organisations who provide air traffic control) (ANSPs) kept the skies open for all aircraft permitted to fly, including military, emergency and repatriation flights, domestic travel, general cargo, and medical supplies. Even though ANSPs maintained their pre-pandemic level of operations (albeit with significantly less activity), they suffered revenue losses of almost US\$13 billion.

With the skies still open, there was far less scope for ANSPs to cut costs by closing sectors of airspace or laying-off staff. Moreover, the pandemic exposed structural flaws in the 'commercialised' (user-pays) provision of ANSPs. Whilst some ANSPs have relied on constructive, co-operative, and continuous social dialogue, others have imposed policies with detrimental effects on air traffic management (ATM) staff.

## Turbulent times

Demand for air transport is pro-cyclical and follows the ups and downs of the economy, albeit in a more exaggerated pattern, as depicted below. Over the years the industry has been hit by oil price hikes, wars, terrorist attacks, natural disasters, SARS and, just a decade ago, the global financial crisis. That said, all these events pale when compared to the unprecedented effects of COVID-19. As one of the air traffic control officers (ATCOs) in the UK explained in our study "There are days on the afternoon shift when you can plug in for an hour and not talk to a plane."



The collapse in traffic was mirrored in the number of flights handled by ANSPs. In Europe, for example, between 2020 (1st quarter) and 2021 (1st quarter), en-route service units fell by almost 70 per cent in France, Spain, and the UK, and well over 60 per cent in Germany and Italy.

Turbulence is part and parcel of the aviation industry, but the impact of COVID-19 is unlike anything that has gone before, not only in terms of breadth (worldwide) and depth (traffic collapse) but also duration, mutation and potential transformation of the entire aviation industry.

## Public goods

ANSPs have high fixed costs and air space must be controlled regardless of whether there are few flights or many. The combination of high fixed costs and a catastrophic collapse in revenue caused by COVID-19 has forced policymakers and many ANSPs to reappraise whether a commercial (user pays) approach to ANS is still fit for purpose.

The provision of public goods that benefit all citizens is typically the responsibility of the state. Whilst ANS might be the ultimate responsibility of the state for both legal and operational reasons, ANSPs are required to constantly improve safety standards, minimise costs, and expand or reduce capacity as demand dictates. This creates contestation between the essential (public good) nature of ANS and (commercial) pressure to lower costs without compromising safety.

Charging airlines for the use of airspace is a comparatively recent development. In Europe, for example, en-route air traffic control was free-of-charge for users prior to 1970 and full cost recovery came more than a decade later. In 2001, NATS (UK) became the first for-profit ANSP, operating under a public-private partnership.

Today, the majority of ANSPs around the world are classified as commercialised service providers that rely primarily on user fees to cover their costs. Without users – planes and their passengers in the sky – the result is a situation where ANSPs have continued to provide services during the pandemic with little to no income. As a result, many ANSPs have adopted measures such as redundancies, reduction in salaries, lay-offs of trainees and voluntary departure schemes.

## A lifetime to build and a minute to break

"When COVID is over – well, probably it will never be over – but when we return to some normality, we are still the same people, and we should be working together. But they've destroyed the relationship." (International trade union official)

ANS has long been built on strong structures of social dialogue with many ATCOs covered by collective bargaining agreements, which is not surprising considering their strong structural power. Despite the crucial role of ANSPs and the sectors' history of well-established collective bargaining agreements, there has been efforts to undermine ATCOs working conditions because of the pandemic. Indeed, several ANSPs have taken advantage of the pandemic to undermine trade union organisation and cut costs to the point of jeopardising safety.

In response to the immediate shock of the pandemic, NATS reduced the number of contractors utilised by the company, reprioritised and redeployed the company's own employees. At the peak of the pandemic, NATS furloughed over 3,000 staff and was in receipt of over £37 million in grant income under the UK governments emergency furlough scheme. The roll-out of furlough payments was agreed with the ATCO Branch of Prospect the trade union.

However, relationships then took a turn for the worse following the (unilateral) announcement of a voluntary redundancy scheme, contrary to existing agreements with Prospect. There was further disquiet over NATS' decision to terminate the training of more than 100 trainee ATCOs. For the Guild of Air Traffic Control Officers, the company's decision was: "the continuation of the boom-bust cycle of ATC recruitment and training we have experienced over the years not just in the UK but across Europe. Decisions in the past to stop ATC recruitment and training have, in recent years, resulted in controller shortages followed by increasing delays for air traffic."

A member of Prospect's ATCO Branch who we spoke to was even more scathing: "NATS have never really had a proper workforce plan, they seem to make it up as they go along. They go through these cycles of, 'Oh, we haven't got enough people, we must recruit quickly', through to, 'We've got too many people, we need to get rid of some'. They never seem to have a long-term view."

\*\*\*

Similar to NATS, NAV CANADA – the Canadian ANSP – is a for profit ANSP. The initial phase of the pandemic saw a continuation of cooperative relationships between management and unions at NAV CANADA as both sides worked to contain costs. For example, cancelling all contract work and offering early retirement proved relatively uncontentious.

Relationships turned sour and the cooperative relationship broke down when the company announced 720 job losses in September 2020 (equivalent to around 14 per cent of the workforce). This was at the same time as executives and management received \$7 million in bonuses. As one trade union official remarked, the positive relationship developed over many years had been destroyed swiftly, describing the relationship between labour and management as taking "15 years to build but 5 minutes to break".

The two examples above are not to suggest that commercialised ANSPs have been the only ANSPs to take advantage of the crisis to cut labour costs.

\*\*\*

At the height of the pandemic Albecontrol – the 100% state owned Albanian ANSP – unilaterally cut the salary of ATCOs by 70 per cent and laid off several workers without consultation. Five controllers in Albecontrol declared 'provisional inability' at the end of their shift as a result of stress and were immediately issued with notices of dismissal.

In solidarity, two-thirds of staff stopped work for 24 hours and the Mother Teresa Airport were closed overnight, and dozens of flights had to be cancelled.

A meeting of union members was hastily called at an airport hotel, attended by around 50 ATCOs to discuss how they might support their colleagues. In what can only be described as an act of political repression, the meeting was broken up by the authorities, mobile phones were confiscated, and the controllers were taken for questioning by the police. The army and police took over the airport and Albecontrol's premises, while ATCOs were brought in from Turkey on the premise of covering for a shortage of controllers caused by COVID-19.

The controllers arrested by the police after the union meeting were quickly released, but not before signing a 'fit to work' declaration (under the threat of dismissal) and being publicly named and shamed for their actions. Three of the original five controllers who declared provisional inability were gaoled.

The actions of the Albanian government were condemned by professional associations and unions alike with the Air Traffic Controllers European Unions Coordination (ATCEUC) accusing the government of acting "in a way reminiscent of a dark Stalinist past". In the interim, two controllers are still out of work awaiting trial and pilots have been advised to "exercise extreme caution while operating within Albanian airspace" due to a heightened risk of degraded ATC services.

## Never allow a crisis to go to waste

Measures adopted by ANSPs varied significantly during the pandemic. From redundancies, reduction in salaries, lay-offs of trainees to voluntary departure schemes. In some cases this took the form of an irresponsible gamble on safety with Albecontrol for example attempting to continue operations with unlicensed and unqualified staff. In most ANSPs the strategies to reduce costs were less dramatic but still worrying considering that even before the pandemic many ANSPs reported being understaffed.

The staffing policies of the more commercialised ANSPs such as NAV CANADA and NATS, both during and before the pandemic, are a particular cause for concern. One of NAV CANADA's major airline customers, for example, was perturbed by the company's recent job cuts and how this might constrain the recovery, especially as: "It takes eons to train a new controller."

It is hard to avoid the conclusion that the commercial (user pays) system for the provision of ANS is not especially resilient in the face of pro-cyclical demand and is certainly not 'pandemic proof'. When commercialised ANSPs answer to shareholders and are beholden to market forces, they are more likely to focus on the present that is out of sync with the longer-term requirements for human resource planning and the future well-being of employees. Commercial pressures led several ANSPs to abandon social dialogue and cooperative relationships with trade unions and professional associations in favour of managerial fiat.

With the end of the pandemic in sight, airlines will be expected to pay more for ANS (to enable ANSPs to recover lost revenue) at a time when they can only afford to pay less. The increase in airport and ANS charges worldwide was already estimated to be US\$2.3 billion by October 2021. Willie Walsh, IATA's Director General (previously Aer Lingus and British Airways CEO), expressed his outrage in no uncertain terms: "placing the financial burden of a crisis of apocalyptic proportions on the backs of your customers, just because you can, is a commercial strategy that only a monopoly could dream up. At an absolute minimum, cost reduction – not charges increases – must be top of the agenda for every airport and ANSP." This outburst illustrates that conflict is structured into relationships between customers and service providers as well as between management and labour.

Just as a nation's road network is typically funded from general taxation and a car tax or tolls for those who use the network, a similar approach is entirely feasible for ATM. With essential service levels and staffing fully funded by the state, an additional transparent tax on tickets for ANS would no doubt represent a price worth paying for a safe and on-time flight – especially as ANS charges typically account for less than £1 of the total ticket price for individual passengers.

The future of air traffic management is uncertain when pandemics call into the very sustainability of ANSP's operating and funding models and the relationships between capital and labour have been endangered. It is clear that social dialogue must be rebuilt to ensure that when the next pandemic, economic crisis or colossal disruption inevitably occurs then ANSP's will be able to weather the storm.

Huw Thomas is Lecturer in Work, Employment, Organization and Public Policy at the University of Bristol. Peter Turnbull is Professor of Management and Industrial Relations at the University of Bristol. This contribution draws upon research with several international trade union and professional associations – International Transport Workers Federation (ITF), International Federation of Aeronautical Information Management Association (IFAIMA), International Federation of Air Traffic Controllers' Associations (IFATCA), International Federation of Air Traffic Safety Electronics Associations (IFATSEA). The research conducted more than fifty interviews with air traffic controllers, trade union officials, representatives of professional associations, ANSP managers, aviation authorities and airlines in more than twenty countries.

Image credit: Hans Braxmeier

## RELATED POSTS

**THE HUMAN IMPACT OF AUTOMATION: LESSONS FROM AMAZON**  
8 MONTHS AGO

**WHY GREEN JOBS AREN'T GOOD JOBS – YET**  
8 MONTHS AGO

**EXPLOITED MIGRANT WORKERS IN THE UK: HEIGHTENED RISKS AND MITIGATION FAILURES**  
1 MONTH AGO

**THE FUTURE OF WORK AND THE COST-OF-LIVING CRISIS**  
1 MONTH AGO

**A LIVING WAGE INCREASES ECONOMIC PRODUCTIVITY WHILE REDUCING POVERTY – NEW REPORT**  
1 MONTH AGO