

Industrial Relations and Social Dialogue
Social dialogue and collective bargaining in the civil aviation sector during the COVID-19 pandemic



Social dialogue and collective bargaining in the civil aviation sector during the COVID-19 pandemic



When citing this report, please use the following wording:

Eurofound (2022), *Social dialogue and collective bargaining in the civil aviation sector during the COVID-19 pandemic*, Publications Office of the European Union, Luxembourg.

Authors: Georg Adam and Bernadette Allinger (FORBA)

Research manager: Jorge Cabrita, supported by Victoria Cojocariu

Research project: Social dialogue and collective bargaining in hospitals and civil aviation during the COVID-19 pandemic

Acknowledgements: The project team would like to thank David Foden and William Casciato (Eurofound) for their comments on the draft versions of this report and Peter Kerckhofs (Eurofound) for his support.

Luxembourg: Publications Office of the European Union, 2022

Print: ISBN 978-92-897-2283-4 doi:10.2806/464676 TJ-04-22-010-EN-C

PDF: ISBN 978-92-897-2282-7 doi:10.2806/80520 TJ-04-22-010-EN-N

This report and any associated materials are available online at <http://eurofound.link/ef22023>

© European Foundation for the Improvement of Living and Working Conditions, 2022

Reproduction is authorised provided the source is acknowledged.

For any use or reproduction of photos or other material that is not under the Eurofound copyright, permission must be sought directly from the copyright holders.

Cover image: © Jacob Lund/Adobe Stock

Any queries on copyright must be addressed in writing to: copyright@eurofound.europa.eu

Disclaimer: *Research carried out prior to the UK's withdrawal from the European Union on 31 January 2020, and published subsequently, may include data relating to the 28 EU Member States. Following this date, research only takes into account the 27 EU Member States (EU28 minus the UK), unless specified otherwise.*

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.

European Foundation for the Improvement of Living and Working Conditions

Telephone: (+353 1) 204 31 00

Email: information@eurofound.europa.eu

Web: www.eurofound.europa.eu

Contents

	Executive summary	1
	Introduction	3
1.	Mapping key sectoral characteristics	5
	General employment trends	5
	Business models in civil aviation	12
	Business structures in civil aviation	13
	Impact of COVID-19 on civil aviation	15
	Working conditions of civil aviation workers	17
	Industrial relations: actors and institutions	19
2.	Social dialogue and collective bargaining during the COVID-19 pandemic	21
	Conceptual and methodological approach	21
	Social partner involvement during COVID-19	21
	Issues covered in social dialogue practices during COVID-19	23
	Social partners' assessment of their involvement during COVID-19	29
	Social dialogue outcomes following COVID-19	30
3.	Conclusions	37
	Bibliography	39
	Annexes	41
	Annex 1: Glossary of terms	41
	Annex 2: Questionnaire for data collection	42
	Annex 3: Network of Eurofound Correspondents	44

Country codes

AT	Austria	ES	Spain	LV	Latvia
BE	Belgium	FI	Finland	MT	Malta
BG	Bulgaria	FR	France	NL	Netherlands
CY	Cyprus	HR	Croatia	PL	Poland
CZ	Czechia	HU	Hungary	PT	Portugal
DE	Germany	IE	Ireland	RO	Romania
DK	Denmark	IT	Italy	SE	Sweden
EE	Estonia	LU	Luxembourg	SI	Slovenia
EL	Greece	LT	Lithuania	SK	Slovakia
NO	Norway	UK	United Kingdom		

Executive summary

Introduction

This report analyses the role of social dialogue and collective bargaining in addressing the challenges in the civil aviation sector during the pandemic. It also explores any changes to existing social dialogue and/or collective bargaining processes at national level in response to COVID-19. The research involved a literature review to characterise and contextualise the structure of the civil aviation sector when the pandemic hit, and an analysis of information collected through the Network of Eurofound Correspondents.

Policy context

The COVID-19 pandemic has hit the EU civil aviation industry particularly hard in terms of business operations, employment and working conditions. In many Member States, the pandemic has shed light on the often precarious employment relationships and working conditions of the aviation workforce, an ongoing issue since the liberalisation of the European civil aviation industry in the 1990s. The liberalisation of the sector unleashed a new competitive environment, which made it necessary for all market participants to reduce costs, and in particular labour costs.

In the passenger air transport subsector, increased competition has given rise to low-cost airlines with business models primarily aimed at cutting labour costs and streamlining operational procedures. National airlines have had to consolidate their operations, often through mergers and acquisitions and internal restructuring. These developments have contributed to the emergence and spread of atypical forms of employment, including bogus self-employment, temporary agency work, zero-hour contracts and pay-to-fly schemes. These types of employment are often associated with negative effects on pay and working conditions. The diverse activities and occupations in the sector and the corresponding fragmentation of collective interest representation and industrial relations have made it difficult to develop sector-wide regulations.

Key findings

Following the onset of the COVID-19 pandemic and the introduction of public health restrictions, social dialogue intensified in order to lessen the negative effects on employment and on the civil aviation industry as a whole. Social partners' involvement in the policies introduced to deal with these challenges has varied across European countries. In countries with well-established industrial relations institutions and long-standing traditions of cooperation between social partners, social dialogue and collective bargaining have proved effective. This is particularly true of the countries representing the organised corporatism cluster¹ (Denmark, Finland, Germany, Norway and Sweden) and the social partnership cluster (Austria, Belgium, Luxembourg and the Netherlands). In these countries, the social partners have contributed to safeguarding companies and employment in the civil aviation sector by jointly preparing rescue packages and employment retention schemes, often tailored to, and adequately implemented, in the sector.

Similarly, in some of the countries representing the state-centred associational governance cluster (France, Italy, Portugal, Slovenia and Spain), stable social dialogue structures in the sector have facilitated positive outcomes. For instance, various short-time work schemes were implemented in France and agreements on employment safeguards were concluded in Spain.

Some countries with less developed industrial relations structures, such as Bulgaria and Croatia, were also able to use social dialogue to implement effective employment retention measures. However, in several countries social dialogue did not contribute to mitigating the negative impacts of the pandemic. In Greece and Hungary, social dialogue at industry or company level was significantly weakened or did not take place at all because the social partners were sidelined by the government and unable to participate in the decision-making process. In Estonia and Lithuania, there is a lack of social partners at sector level, representing both employers and workers, and therefore effective social dialogue could not be achieved.

¹ Differences between countries in industrial relations patterns have been analysed using typologies relying on theoretical approaches focusing on national production and employment regimes (Visser, 2009) and on typologies exploring diversity specifically between countries in terms of industrial democracy (Eurofound, 2018). The latter classification is based on a combination of 'normative' indicators (the amount of information provided to employee representatives) and 'contextual' indicators (state intervention in collective bargaining) and is used when differentiating national industrial relations regimes. More details on this can be found in Chapter 2.

The study did not identify any substantial changes in terms of new social dialogue institutions or processes. However, what can be observed in many countries is that social dialogue deals with a broader range of subjects than those traditionally within its scope, such as pay and working time. Since the beginning of the pandemic, social partners have been involved (either through regular consultation, active negotiation or at the implementation stage) with measures to promote job retention, including short-time work schemes; to maintain the liquidity of companies substantially affected by the crisis; and to support workers in the event of inevitable collective redundancies. The complex issues involved in short-time work and other job retention schemes have often been negotiated in a tripartite setting, thus utilising the branch-specific expertise of the social partners.

Finally, despite often well-functioning and productive social dialogue, the bargaining power of civil aviation employees has largely diminished during the pandemic. In times of economic crisis, the power balance between the two sides of industry tends to shift towards the employers, who can consequently force the employees into concession bargaining. This shift in the balance of power, combined with the gradual establishment of the low-cost business models in the sector, has encouraged the unions to pursue a more conflictual strategy, even in countries with long-standing traditions of social partnership and social peace. The effect of these changes on the industrial relations landscape and their role in the future of social dialogue in the sector are not entirely clear at this stage. This report shows that social dialogue has been quite effective at averting immediate threats posed by the pandemic; however, it has not addressed the fundamental issues related to the precarious working conditions resulting from a changing business environment in the sector.

Policy pointers

- The unprecedented challenges posed by COVID-19 have proved that social dialogue and collective bargaining can have a positive influence on issues not traditionally within its scope, such as job retention, collective redundancies and maintaining the liquidity of companies affected by the pandemic. Unions and employer organisations should, therefore, also be involved in drafting policies that address crucial issues such as the future orientation of the industry or reforming regulations in terms of social and ecological sustainability and working conditions.
- The pandemic has exacerbated the existing precarious employment and working conditions in the civil aviation sector, reducing the attractiveness of the sector to potential workers. Collective bargaining and social dialogue at national level can contribute to addressing this issue.
- The pronounced fragmentation of the industrial relations and social partner landscape in the sector, including through rivalries between trade unions in some countries, has proved detrimental in the extraordinary context of the COVID-19 pandemic. Reducing the inequalities in employment and working conditions in the sector can contribute to reducing fragmentation and strengthening the coordination of social partners' strategies to tackle crisis situations.

Introduction

This report analyses the extent to which social dialogue and collective bargaining practices have addressed the challenges posed by COVID-19 in the civil aviation sector. It also explores any changes made to existing social dialogue and/or collective bargaining processes at national level in response to the pandemic.

Across the EU, national, regional and local governments and affiliated institutions (such as public employment services) introduced diverse measures to lessen the potentially devastating impact of COVID-19 on economies, labour markets and whole societies. Employer organisations and employee representatives were also involved in introducing these measures, although the role of social partner organisations in their design or ensuring their implementation differed widely across EU Member States (Eurofound, 2021; European Commission, 2021a). The Organisation for Economic Co-operation and Development (OECD) and the European Commission repeatedly advocated the reinforcement of social dialogue at all levels during the COVID-19 pandemic to jointly overcome the economic and social fallout (OECD, 2020; European Commission, 2021b).

The civil aviation sector was hit especially hard by the COVID-19 pandemic, as lockdowns brought aviation operations to a near standstill. In order to secure the short-term survival of the sector and its companies, national administrations set up financial stabilisation packages and different employment retention schemes.

However, the specific configuration and eventual success of these measures is dependent not only on the national industrial relations context but also on the business structures, workforce composition and employment conditions in this sector. These factors have changed substantially in recent decades due to the liberalisation of the sector since the 1990s and the emergence of low-cost airlines and their new cost-saving business models.

This report presents the results of a study on the evolution of social dialogue and collective bargaining practices in the civil aviation sector during COVID-19. Annex 1 contains a glossary that explains concepts, sometimes of a rather technical nature, used in the report. The report is structured as follows.

Chapter 1 draws on a literature review to examine the key characteristics of the civil aviation sector and how they have impacted on the development of social dialogue and collective bargaining, in particular during the COVID-19 pandemic. It also describes the main patterns in industrial relations in the sector.

Chapter 2 analyses the scope of social dialogue and collective bargaining initiatives developed in response to the COVID-19 pandemic in the EU27 and Norway. It also presents the views of social partners in relation to the content and outcomes of these initiatives. This chapter builds on the analysis of 28 national contributions from the Network of Eurofound Correspondents (see Annex 2) collected between September and October 2021.

1 Mapping key sectoral characteristics

This chapter contextualises the structure of the civil aviation sector in the EU Member States. It is based on a literature review that was conducted by applying five main analytical dimensions.

General employment trends: Deals with the recent general trends in the sector's workforce composition and employment conditions. It analyses the employment structure, the sociodemographic characteristics of workers and the incidence of non-standard forms of employment across EU countries (in particular, self-employment, temporary agency work, zero-hour contracts, pay-to-fly schemes and to a lesser extent part-time work and temporary work).

Business models: Analyses the dominant business models in civil aviation. In particular, this section looks at the increased competition that has given rise to the emergence of low-cost airlines, which are increasingly challenging the business models of traditional legacy airlines or 'national flag carriers'.

Business structures: Highlights the changes in business models and their impact on business structures in both the air transport subsector and the ground handling and airport-related subsectors. It also outlines the main impacts of the COVID-19 pandemic on the sector and its businesses.

Working conditions of civil aviation workers: Outlines the impact of tightened competition (fuelled particularly by low-cost airlines) resulting from the liberalisation of the sector and, to a lesser degree, the impact of the COVID-19 crisis on the sector. Both factors have reduced the quality of working conditions for workers.

Industrial relations: Presents the key players and institutions of the civil aviation sector and discusses the industrial relations landscape in the EU Member States. Particular attention is given to the variations in the structure of industrial relations, the pronounced fragmentation of collective interest representation and the differences in the structure and coverage of collective bargaining.

General employment trends

Evolution and composition of employment

This section analyses the evolution of the civil aviation sector's workforce. Only passenger air transport, freight air transport, ground handling activities and airport-related activities are considered in this report. Air traffic management activities are not included as in most Member States the staff working in air traffic management have been less affected by the pandemic, owing to their overall structural power and relatively secure employment relationships.

Box 1: Sources of data and limitations

In terms of the report's data sources, there are some limitations for cross-country comparisons. Two data sources are used to quantitatively describe the sector's evolution and the characteristics of its workforce: Eurostat structural business statistics and Eurostat Labour Force Survey (LFS) data. As structural business statistics data are obtained from national administration sources and LFS data are gathered from survey estimates, both data sources should be treated cautiously as comparing data from the two could bring about discrepancies.

Apart from the issue of data quality, another problem arises from the Nomenclature of Economic Activities (NACE²) classification system of economic activities: in the case of civil aviation, this system is not aligned with the logic of the sector's organisation in terms of subsectoral business activities and industrial relations. Sectoral Eurostat LFS data are available at three-digit levels and are based on a classification structure that only partially matches the structure of civil aviation subactivities. Whereas passenger air transport activities and freight air transport activities are appropriately reflected by NACE 51.10 and 51.21, respectively, ground handling and other airport-related activities are not. These are grouped with air traffic management activities (not included in this study) within the NACE 52.23 code. However, Eurostat LFS data are available only for NACE 51.1 at three-digit level and thus only cover passenger air transport activities.

2 Information on Statistical Classification of Economic Activities in the European Community, Revision 2, is available at https://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=DSP_GEN_DESC_VIEW_NOHDR&StrNom=NACE_REV2&StrLanguageCode=EN

In total, the civil aviation sector across the EU Member States employs around 560,000 people, approximately 0.3% of the total EU workforce in 2018. As the civil aviation sector largely consists of three subsectors of activity, it is important to disaggregate this overall figure by subsector.

- **Air transport of passengers and freight:** This subsector includes major full-service (network) airlines (or flag carriers), low-cost airlines, regional airlines, charter airlines, special flight services, air cargo carriers and air freight forwarders, and mail air transporters. These activities cover pilots and cabin crew and largely correspond to NACE 51.10 (passenger air transport) and 51.21 (freight air transport).
- **Ground-based air traffic services and airport activities:** This subsector includes activities at major and regional airports, and related activities, such as the operation of airport terminal facilities and ground service activities on airfields. Specifically, these activities include baggage handling, the operation of ticket desks, check-in and boarding services, airport security services, aircraft maintenance and overhaul, airport fire services, fuelling, catering and in-flight services, de-icing, towing and pushbacks and cleaning. This subsector forms part of NACE 52.23.
- **Air traffic management:** This includes air traffic controllers, air traffic safety electronics personnel and other air traffic management staff, such as accountants and administrative staff. This subsector is not included in the detail of the report and is only mentioned in relation to ground-based air traffic services and other airport activities as they also correspond to NACE 52.23.

The results of Eurofound's representativeness study on the European social partners in the civil aviation sector show that half of the total EU civil aviation workforce, 560,000 workers, are active as aircrew in passenger air transport (Eurofound, forthcoming). Of the aircrew, roughly two-thirds are cabin crew and one-third are pilots. Only about 4% of the total workforce in the sector are involved in freight air transport and about 10% work in air traffic management. The other 37% work in ground handling activities, and information about their specific field of work is available in only some Member States. Therefore, average proportions of subactivities for the entire European ground handling workforce cannot be calculated. However, it can be determined that overall most ground handling workers take part in activities such as baggage handling, airport security and maintenance, and aircraft overhaul.

Table 1 shows the number of employees in the civil aviation sector per country and the percentage of sector employees as a share of the entire national workforce and as a share of the EU aviation sector workforce. It is noteworthy that almost 60% of the total civil aviation workforce in the EU Member States were employed in four countries – Germany, France, Spain and Italy – in 2018.

The number of employees in freight air transport (NACE 51.21) is rather modest throughout the EU Member States (except Germany, with 5,855 employees in this subsector). The other two subsectors – passenger air transport (NACE 51.10) and service activities incidental to air transport (NACE 52.23) – are largely similar in size, with the number of employees in passenger air transport slightly greater than those in ground service activities. However, country-level data show a high degree of variation in the number of employees in the two subsectors. Overall, the flight crews slightly outnumber the ground staff in the EU Member States; however, in various countries a higher proportion of workers are engaged in ground handling and airport-related activities than air transport activities.

Table 1: Employees in the civil aviation sector, 2018

Member State	Employees in NACE 51.10 (passenger)	Employees in NACE 51.21 (freight)	Employees in NACE 52.23 (services)	Employees in the whole civil aviation sector (NACE 51.10, 51.21 and 52.23)	Share of total national employment (%)	Share of total EU27 sector workforce (%)
Austria	8,771	85	8,130	16,986	0.45	3.02
Belgium	4,350	1,273	5,508	11,131	0.27	1.98
Bulgaria	1,863	376	5,801	8,040	0.30	1.43
Croatia	1,089	0	2,946	4,035	0.28	0.72
Cyprus	444	0	2,161	2,605	0.75	0.46
Czechia	6,800 ^a		5,918	12,718	0.29 ^a	2.26
Denmark	7,039	1,057	7,699	15,795	0.62	2.81
Estonia	500	134	865	1,500	0.26 ^a	0.27
Finland	6,023	44	4,734	10,801	0.50	1.92
France	64,077	0	24,402	88,479	0.37	15.76
Germany	58,387	5,855	68,668	132,910	0.36	23.67
Greece	3,703	240	6,472	10,415	0.41	1.85
Hungary	1,232	138	3,649	5,019	0.13	0.89
Ireland	7,260	171	5,931	13,362	0.70	2.38
Italy	19,615	580	28,338	48,533	0.20	8.64
Latvia	1,887	195	2,173	4,255	0.55	0.76
Lithuania	515	42	1,706	2,263	0.19	0.40
Luxembourg	3,320	1,600	330	5,250	2.0 ^b	0.93
Malta	1,518	7	987	2,512	1.21 ^b	0.45
Netherlands	28,500 ^a		7,084	35,584	0.49 ^a	6.34
Poland	3,762	431	11,736	15,929	0.12	2.84
Portugal	11,105	75	7,878	19,058	0.48	3.39
Romania	4,329	286	5,811	10,426	0.16	1.86
Slovakia	541	45	1,541	2,127	0.10	0.38
Slovenia	0	0	817	817	0.10	0.15
Spain	31,531	977	34,326	66,834	0.41	11.90
Sweden	6,328	266	7,576	14,170	0.32	2.52
EU27	284,489	13,743	263,187	5,554,619	0.34	100.00
% of EU	59	3	47	100		

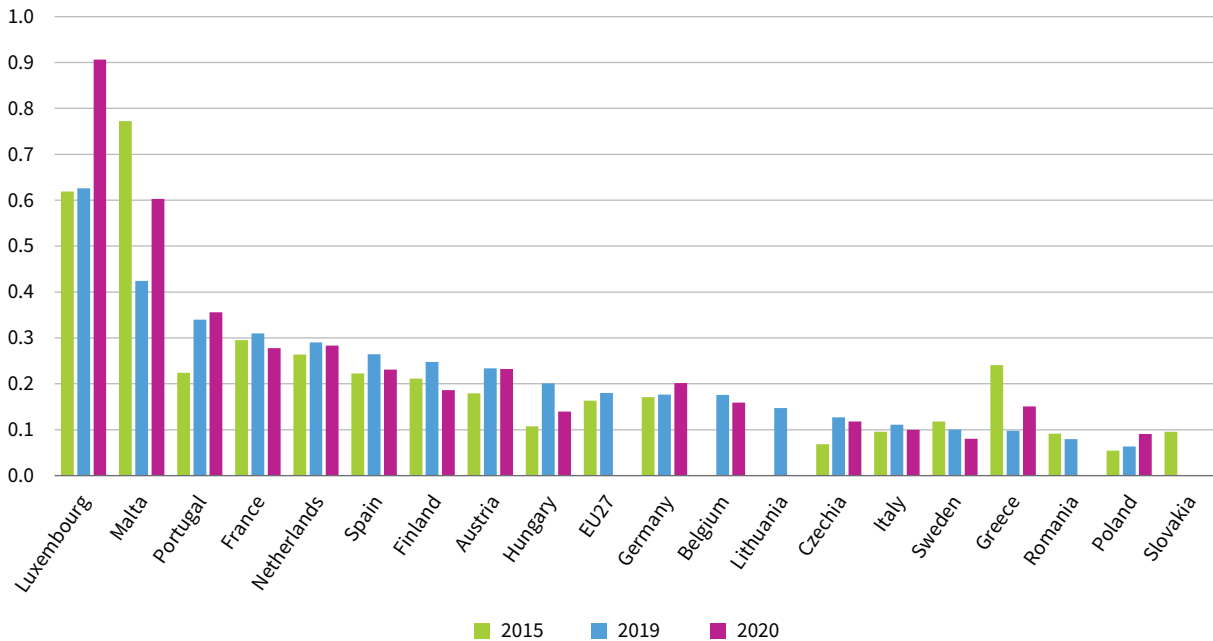
Notes: Member States are ordered by the number of employees in the civil aviation sector. Data for Czechia, Estonia, Luxembourg, Malta and the Netherlands are only partly available or not available at all. According to the national Eurofound correspondent from Slovenia, activities in the country in NACE 51.10 and 51.21 ceased a few years ago. NACE 51.10 employee data are for 2011 in Denmark, 2012 in France, 2013 in Ireland, 2014 in Lithuania, 2015 in Portugal and 2017 in Poland. NACE 51.21 employee data are for 2011 in Denmark, 2013 in Ireland and Sweden, 2014 in Lithuania, 2015 in Portugal and 2017 in Poland.

^a For Czechia and the Netherlands, data from the LFS have been used for the number of employees in NACE 51, as data in the structural business statistics were not available. Given that data from the LFS are available at two-digit level, data for Czechia and the Netherlands include NACE 51.10 (passenger air transport), NACE 51.21 (freight air transport) and NACE 51.22 (space transport). Data for Czechia and the Netherlands may therefore be slightly overestimated.

^b For Estonia, Luxembourg and Malta, data were estimated based on the information the Network of Eurofound Correspondents provided for 2018. Data for Estonia, Luxembourg and Malta may therefore be slightly overestimated.

Source: Eurostat, structural business statistics

Figure 1: Proportion of passenger air transport employment to total employment per EU Member State, 2015, 2019 and 2020 (%)

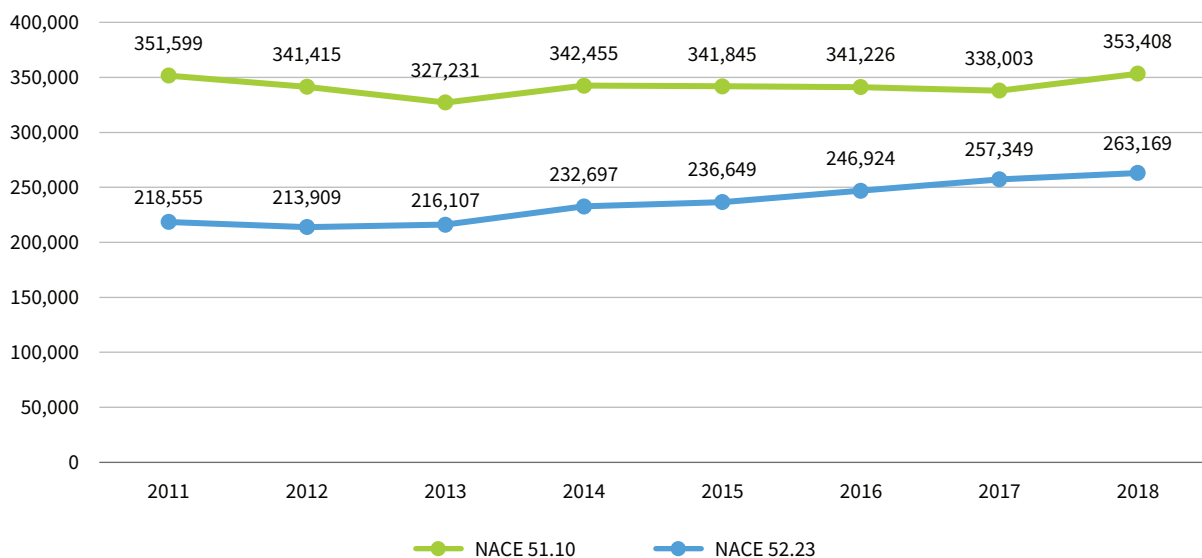


Note: No (comparable) data are available for Bulgaria, Croatia, Cyprus, Denmark, Estonia, Ireland, Latvia, and Slovenia, so these countries were excluded.
Source: Eurostat, LFS

Figure 1 shows the changes in employment in the passenger air transport subsector (NACE 51.10) – which covers pilots and cabin crew – from 2015 to 2020. The biggest change in employment was recorded in Luxembourg where the workforce employed in this subsector constituted almost 1% of the total national workforce in 2020, with Malta following with 0.6%.

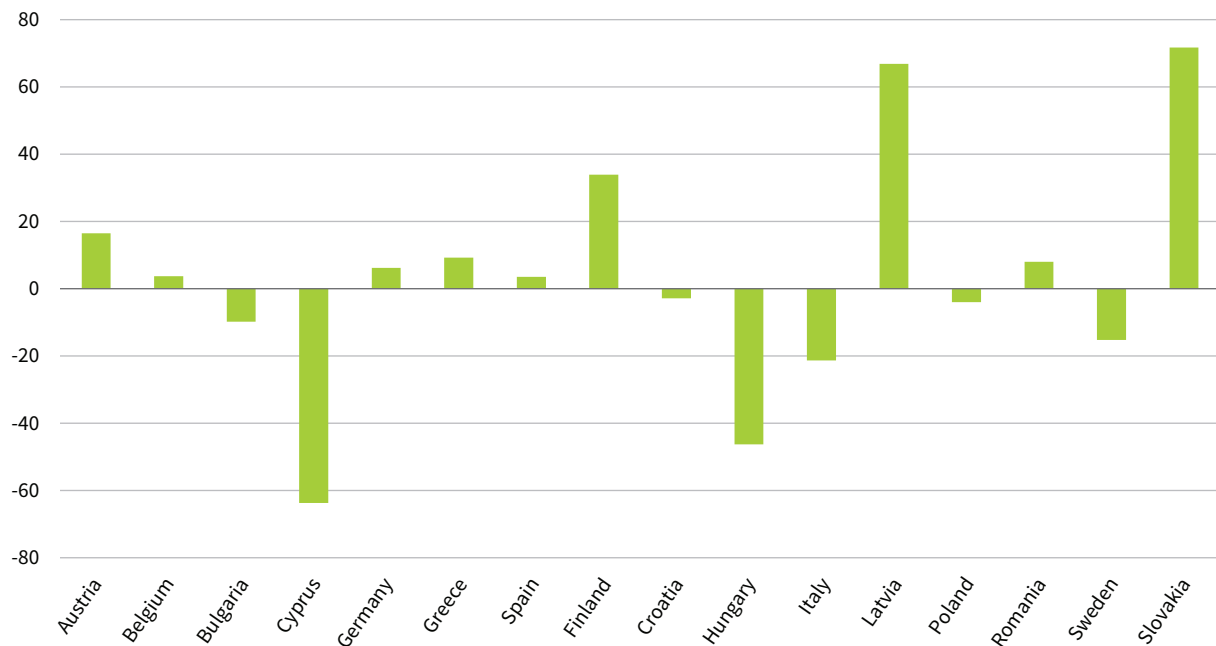
Figure 2 shows that the number of employees in passenger air transport (NACE 51.10) remained relatively stable from 2011 to 2018, with a temporary slump in 2012 and 2013, most likely as a consequence of the economic crisis. By contrast, for service activities incidental to air transport (including both ground handling activities and air traffic management services,

Figure 2: Number of employees in the passenger air transport subsector (NACE 51.10) in the EU27 and the UK, and in the service activities incidental to air transport (NACE 52.23) in the EU27, 2011–2018



Notes: As the EU27 data for passenger air transport are only available for 2017 and 2018, the NACE 51.10 data are from the EU27 and the UK for the entire period in order to allow for comparability over time, while the NACE 52.23 data are for the EU27.
Source: Eurostat, structural business statistics

Figure 3: Relative change in the number of employees in the passenger air transport subsector in selected EU Member States (NACE 51.10), 2011–2018 (%)



Notes: For Belgium and Finland, data are from 2014 instead of 2011; for Croatia, data are from 2015 instead of 2011; for Poland, data are from 2017 instead of 2018; for Sweden, data are from 2012 instead of 2011. No (comparable) data are available for Czechia, Denmark, Estonia, France, Ireland, Lithuania, Luxembourg, Malta, the Netherlands and Portugal. In Slovenia, sectoral activities ceased to exist in 2011.

Source: Eurostat, structural business statistics

NACE 52.23, as there are no data available for ground handling services alone) the number of employees has been growing steadily since 2012. This shows that the ground handling subsector is somewhat more resilient to temporary economic fluctuations than the air transport subsector.

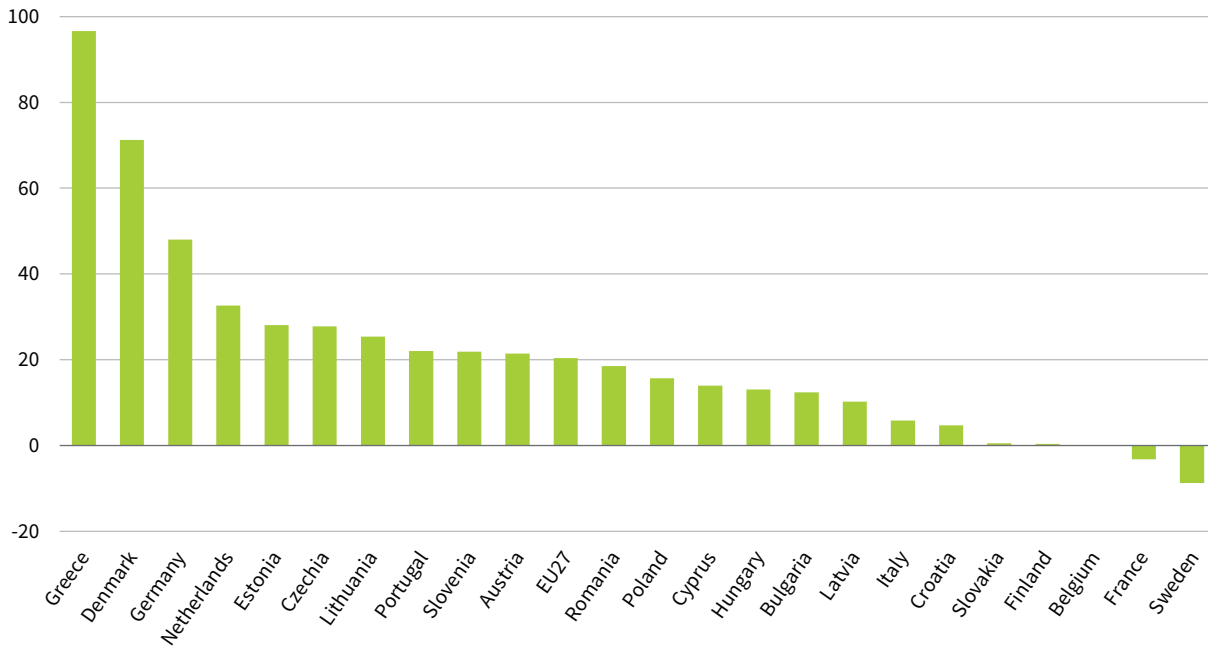
Figure 3 shows the uneven change across countries in the number of employees in the passenger air transport subsector from 2011 to 2018. Among the countries registering increases, Latvia and Slovakia registered the highest growth. As the sector is very small in these two Member States, a fairly small increase in absolute numbers generates relatively high growth. In Cyprus and Hungary, the number of employees working in passenger air transport decreased sharply, by about 64% and 46%, respectively, between 2011 and 2018. While in Cyprus the closure of the state-owned national airline Cyprus Airways in 2015, due to bankruptcy, could explain this dramatic drop, the reasons for the sharp decline in the number of employees in Hungary are less clear. It could be related to the business model of Hungary's largest airline, Wizz Air, which replaced standard open-ended employment relationships with contract workers.

Figure 4 depicts a comparable illustration of changes in employment in the service activities incidental to the air transport subsector (including ground handling and air traffic management activities). In contrast to the uneven changes in passenger air transport, this figure shows

that the number of employees in ground handling and air traffic management largely increased across the EU Member States in 2011–2018, except in France and Sweden. The relative increase in the number of employees in this subsector was highest in Greece (almost 100%), Denmark (over 70%) and Germany (almost 50%), reflecting the dynamics of the civil aviation industry in these Member States during their recovery from the economic crisis.

Very limited data are available on the gender distribution in the sector. The most recent data identified, from 2013, show that the passenger air transport subsector is predominantly male: 60% of the workers are men (European Commission, 2015). This percentage is slightly higher than in the overall economy. In the much smaller freight air transport subsector, the share of male employees was about 77% in 2013 and therefore was significantly higher than in passenger air transport. This is no surprise, however, as passenger air transport activities involve a large number of cabin crew, who are mostly women, while freight air transport mainly involves manual labour activities, which are traditionally carried out by men (European Commission, 2015). Similarly, the airport operation and handling activities subsector is characterised by a significant proportion of manual work and therefore has a relatively high proportion of workers who are men; unfortunately, no precise or more up-to-date figures have been released (European Commission, 2015).

Figure 4: Relative change in the number of employees in the service activities incidental to air transport sector, including ground handling and air traffic management activities, 2011–2018 (%)



Notes: For Czechia, data are from 2015 instead of 2011. No (comparable) data are available for Ireland, Luxembourg, Malta and Spain.
Source: Eurostat, structural business statistics

As for occupational groups, there are very few women pilots at present, while cabin crew are mostly women. In the early 2010s, of the about 130,000 airline pilots worldwide only 3% were women, and fewer than 0.5% of all pilots were female captains. By 2018, the proportion of female pilots had increased to 5.2% worldwide; no separate figures for Europe or the EU have been released (Seligson, 2019). Overall, in the EU Member States and the UK the proportion of women in air transport slightly increased during the 2000s (ILO, 2013), and this trend is likely to have continued into the 2020s.

In terms of age structure, all three areas of civil aviation-related activities (passenger air transport, freight air transport, and airport operation and handling) have recorded a notable decline in employees younger than 30. This may coincide with a reduction in employment opportunities in the civil aviation industry for younger workers. It has been argued that this age group is most affected by deteriorations in employment and working conditions. This is because younger employees entering the workforce are regularly employed under revised employment and working conditions or by new subsidiaries paying poorer wages and offering worse employment arrangements than those for the long-standing staff (European Commission, 2015).

Incidence of non-standard forms of employment

In terms of employment arrangements, standard open-ended employment relationships, whereby the contract continues until the employer or employee ends it, still prevail across the entire civil aviation sector. However, various atypical forms of employment have emerged due to the liberalisation and deregulation of the sector (see the below section on ‘Business models in civil aviation’). Research has identified the following main atypical forms of employment in the sector: self-employment, fixed-term work, temporary agency work, zero-hour contracts and pay-to-fly schemes (Jorens et al, 2015).

LFS data show that in 2019 about 9% of the EU workforce in passenger air transport were employed on a temporary basis. The same data source reveals that 18% of all EU workforce were employed on a part-time basis, 28% of whom were women. In a study on the European social partners in the civil aviation sector, Eurofound correspondents from 18 EU Member States, including the countries with the largest sectoral workforce, reported that standard open-ended employment contracts are most common among pilots and cabin crew (Eurofound, forthcoming). Exceptions are found in Poland and Hungary, where 60% of pilots and cabin crew in Poland and 50% in Hungary have atypical work contracts. This is more common

particularly among low-cost airlines. Employees of national flag carriers are more likely to be offered permanent open-ended contracts (Jorens et al, 2015). Based on a 2014 survey covering 11 European countries (Austria, Belgium, Czechia, Estonia, France, Germany, Iceland, Ireland, Norway, Spain and the United Kingdom) and targeted at pilots, 79% of the 6,633 respondents indicated that they had a direct employment contract. Among the pilots that were self-employed, 70% indicated that they flew for a low-cost airline (Jorens et al, 2015).

With regard to employment contracts, temporary agency work is relatively widespread among aircrew (European Commission, 2019). In some instances, aircrew are employed under alternative arrangements similar to temporary agency work; for example, they can be employed by subsidiaries of airlines (for instance, human resource agencies) or other intermediaries that have the same role as temporary work agencies (European Commission, 2019). The same study found that between 9% and 19% of cabin crew and around 8% of pilots in EU Member States and the UK are employed through some form of intermediary personnel agency, whether in the form of 'real' temporary agency work or under similar arrangements. Such employment practices are more common among low-cost airlines and primarily affect younger aircrew. Intermediary companies are frequently used to avoid direct employment contracts with airlines that usually provide more favourable employment and working conditions. As a result, situations in which the aircrew do not know their specific employer, although the airline they work for is clear, are more and more common in the sector (Jorens et al, 2015). As the data collected for Eurofound's representativeness study on the European social partners in the civil aviation sector reveals, cabin crew are employed as temporary agency workers on a relatively large scale in Austria, Estonia, the Netherlands and Sweden (Eurofound, forthcoming). In Austria, from October 2019 all newly employed staff, including pilots, of Ryanair's subsidiary Laudamotion were hired on a temporary basis through an agency (in autumn 2020, Laudamotion ceased to exist).

Ground handling staff are also often employed as temporary agency workers, although less often than aircrew. Such arrangements can be found, to some extent, among ground handling staff in countries such as Austria, Croatia, Czechia, Denmark, Germany, Hungary, Luxembourg, the Netherlands, Poland and Sweden (Jorens et al, (2015). During the summer period, the share of ground handling agency staff can significantly rise, owing to a higher demand for temporary ground handling staff. Such employment contracts may therefore be categorised as seasonal work. In Spain, almost half of the total ground handling personnel are employed on a temporary basis throughout the year.

Another employment practice very specific to the civil aviation industry is the pay-to-fly scheme. This is when a new pilot in need of flight experience operates an aircraft as a first or second officer in a commercial service and pays the airline for their training. The line training for pilots with an airline transport pilot licence extends to 1,500 hours of flying time, which is the prerequisite for licensed pilots to work as a captain on a commercial aircraft. Research reveals that up to 6% of pilots in EU Member States and the UK engage in such schemes, and that this practice seems to be more widespread among charter airlines and low-cost airlines (European Commission, 2019). France is the only country in the EU where such schemes are considered illegal, as they are perceived as constituting unlawfully non-remunerated and undeclared work (European Commission, 2019).

Aircrew self-employment appears to be one of the most frequent atypical employment arrangements in the civil aviation sector beyond standard open-ended employment relationships. Research highlights that about 9% of pilots in EU Member States and the UK class themselves as self-employed, with high variations according to country and type of airline/business model (European Commission, 2019). The vast majority (88%) of self-employed pilots are contracted through a temporary work agency or another type of intermediary company, and 75% of self-employed pilots work for a low-cost airline. Whereas pilots for Ryanair are most commonly self-employed, traditional flag carriers make no, or only limited, use of such arrangements (with the exception of LOT, the main Polish airline). Both trade unions and academic experts maintain that most of the pilots who are formally self-employed cannot be classified as genuinely self-employed, as they regularly lack the freedom to choose their employer, to work for more than one airline at the same time, or to decide when and how many hours they work. Rather, they are clearly subordinate to their clients (airlines) and usually have an exclusive relationship with one airline similar to a direct employee (European Commission, 2019). Therefore, many pilots and their representatives consider the self-employment of pilots a clear-cut case of bogus self-employment for the purpose of avoiding tax and social security obligations applicable to standard employment relationships. In Eurofound's representativeness study (forthcoming), self-employment among pilots was reported in Austria (Wizz Air), Belgium (Ryanair), Cyprus, Czechia, Hungary (Wizz Air) and Ireland (Ryanair). In Latvia, after the onset of the pandemic in 2020, all pilots of airBaltic were forced to become shareholders of a subsidiary of the airline in order to recapitalise the company. Large-scale self-employment among cabin crew was reported in only a few countries, including Hungary, Ireland and Poland; in Poland, up to 60% of the total cabin crew were formally self-employed.

Zero-hour contracts also occur in the civil aviation industry and are regularly combined with temporary agency work and/or self-employment. They are contracts in which aircrew are only paid for the duration of the flight. The aircrew under such contracts are not entitled to the benefits associated with a standard contract of employment, such as paid annual leave, maternity leave and sick leave (Bönnemann, 2019).

With regard to special employment arrangements in the ground handling activities subsector, a consistent increase in fixed-term contracts among airport employees has been reported (European Commission, 2015). Whereas self-employment is uncommon in this subsector, temporary agency work also affects ground handlers and terminal staff (European Commission, 2015, p. 21). The Eurofound representativeness study on civil aviation notes the issue of extensive shift and night work, in particular among check-in staff (Eurofound, forthcoming). Unfortunately, the quantitative extent of such practices has not been reported.

Business models in civil aviation

The European air transport market has undergone comprehensive liberalisation and deregulation since the 1990s. Once a highly regulated, protected and mainly state-run market, it has gradually changed into a highly competitive market. The changes in regulatory environment have forced airlines to lower their costs and adapt their business models to create profits. As a consequence, the global civil aviation industry has recorded significant growth. For consumers, the evolution of market mechanisms has led to benefits in terms of affordability and accessibility. For the workforce, however, the market adjustments have often resulted in a deterioration in employment and working conditions (Jorens et al, 2015; European Commission, 2019; Melin et al, 2018).

In the wake of the Single European Act of 1987, civil aviation became part of the European Economic Community internal market. Three aviation liberalisation packages (1987, 1990 and 1992) gradually removed restrictions on market access, competition, fares, market capacity and route operations. In 1992, European aviation was thus largely liberalised and deregulated (Bönnemann, 2019). The Single European Aviation Market was born. However, it is important to note that, while air transport rules have been largely harmonised to grant all operators equal access to the market, social protection and labour laws have remained primarily in the remit of the Member States in accordance with Article 153 of the TFEU (European Commission, 2019). The new competitive environment and the market entry of low-cost airlines that emerged in the 1990s have made it necessary for all market participants to reduce costs.

As labour costs are one of the few major operating costs that airlines can reduce (in comparison to fuel and aircraft), airlines were creative in developing appropriate strategies to reduce them. In the civil aviation industry, labour is a crucial factor in production, representing about one-third of the total operating costs for airlines and even more for ground handling service providers (Harvey et al, 2021). This has had a broad range of consequences in terms of business models pursued by airline carriers.

Many low-cost airlines first introduced subcontracting as a new and cheaper form of employment relationship. This proved to be a viable solution for them, as their focus was on reducing costs and improving efficiency, rather than service quality. Traditional flag carriers were divided on whether to continue providing good-quality transport with comprehensive service provision or to make concessions on employment conditions. In this situation, some of the flag carriers set up their own low-cost subsidiaries, such as Transavia by Air France-KLM and Germanwings by Lufthansa (Bönnemann, 2019).

The rise of low-cost airlines, following market liberalisation and deregulation, marked an important turning point for employment relations in the European airline industry. The economic downturn at the turn of the millennium and the terrorist attacks on 11 September 2001 further fuelled the price wars, and thus the need to cut labour costs and to implement new cost-cutting strategies. For the employees of established flag carriers, this has often meant redundancies, unpaid leave, non-renewal of temporary contracts and a reduction in training.

Moreover, based on the new possibilities of hiring staff from different geographical regions, who are subject to different regulatory contexts (for example, labour law and social protection law), airlines have begun to apply 'flagging out' strategies. Similar to shipowners using the 'flag of convenience' strategy, airlines – in particular low-cost airlines – increasingly move their headquarters and bases to countries with lower tax rates and lower labour law standards, and source their workforce across borders. This has enabled them to adopt both a 'flag of convenience' and a 'crew of convenience' strategy (Bönnemann, 2019).

Since the continuous implementation of the Single European Aviation Market in 1992, air transport in Europe has significantly changed. Passenger air transport has increased dramatically, stimulated by new business models developed by new airlines, in particular low-cost airlines, which were partially adopted by flag carriers and regional airlines. The expansion of the air transport market has forced some flag carriers, but also new market entrants, to establish transnational alliances and mergers. Several airlines did not survive the rapid transformation process and

went bankrupt (Malev of Hungary and Spanair of Spain in 2012, Adria Airways of Slovenia in 2019 and most recently Alitalia of Italy in 2021).

Despite the significant expansion of the sector in terms of flight capacity in the EU, employment has largely remained the same since 2000. This indicates significant productivity increases, for instance shown by the 43% increase in the number of EU passengers transported per person employed from 2000 to 2013. The main factor that has contributed to this increase is the steady rise in the number of passengers per aircraft (European Commission, 2015).

In an industry where the profit margins are very limited, the large low-cost airlines regularly achieve higher profits than the national flag carriers. According to Harvey and Turnbull (2020), Ryanair, for example, has gained a total cost advantage of up to 60% over flag carriers by pursuing strategies such as almost exclusive online booking and direct selling, high seat density, flying a single type of aircraft and reducing aircraft turnaround times at airports.

In terms of ‘airline switching’ – a strategy of airlines to relocate their services by opening and closing flight routes – may put considerable competitive pressure on airports (Malighetti et al, 2016). Globally, between 15% and 20% of existing routes are opened and closed each year, owing to the individual management strategies of airlines to maximise profitability by having the flexibility to change their routes at short notice (in response to market fluctuations or changing airport policies affecting slots, fees and other factors). Such uncertainty is troublesome for airports as it prevents accurate planning for future investments and developments.

Business structures in civil aviation

In terms of business structures, the liberalisation, privatisation and deregulation of the civil aviation industry since the 1990s has created two contrasting yet interrelated trends: consolidation and specialisation.

While the emergence and evolution of low-cost airlines has led to an increase in the number of airlines, this period has also seen the consolidation of flag carriers, often through mergers and acquisitions and internal restructuring – airlines that failed to do so often disappeared from the market. The expansion of the aviation market has also amplified the opportunities for smaller players to establish highly specialised business activities in niche areas of the sector, for example, business aviation and helicopter flights. This indicates

that in the field of passenger air transport, after an initial period of dismantling state monopolies or publicly owned national airlines and the stepwise emergence of competitors, a concentration process among the medium-sized and large airlines has taken place, in parallel with differentiation in niche aviation markets.

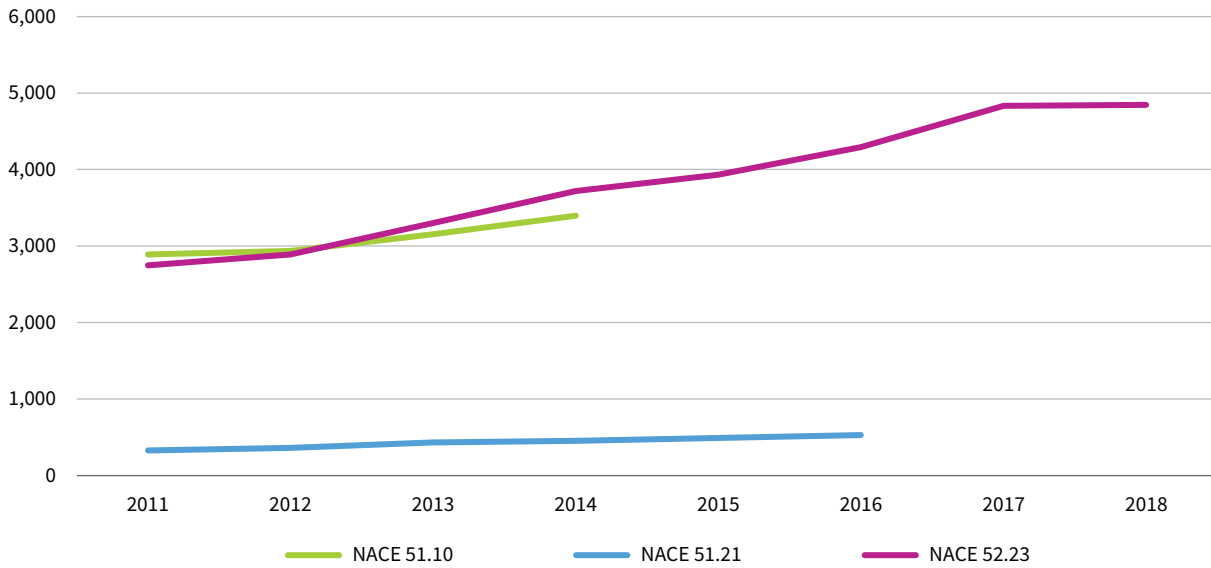
The predominance of large companies in the air transport sector is also often promoted by national administrations, which still (or again) hold shares in the former national airline or the incumbent successor company, and have a say in these key strategic companies. In the ground handling subsector, large companies were prevalent immediately after liberalisation had started, meaning that only a handful of transnational handling providers dominate the EU market. Nevertheless, the widespread outsourcing and subcontracting of specific functional tasks to highly specialised service providers that offer ground-related aviation services at a lower price has resulted in a number of small and highly specialised providers that co-exist with the market’s big players.

Despite these recent trends, large international airlines – both low-cost airlines and national flag carriers, such as Ryanair, Lufthansa, Air France, British Airways and KLM – still employ a clear majority of the air transport workforce in Europe. Similarly, in the ground handling activities subsector, apart from large airports, it is the airport-operating companies, for example Fraport, Menzies and Swissport, that employ major parts of the sectoral workforce. In addition, together with airports and independent handlers, the airlines themselves still provide major parts of the ground handling and catering services connected with their core air transport work (ILO, 2013).

The ground handling subsector within NACE 52.23 (including air traffic management services) recorded growth not only in employment but also in the number of companies. From 2011 to 2017, the number of companies involved in the service activities incidental to air transport in EU Member States increased by 75.8% (Figures 5a and 5b). When considering this growth with the 20% increase in the subsector’s workforce, the growth in the subsector can be mainly attributed to an increase in the number of smaller enterprises.

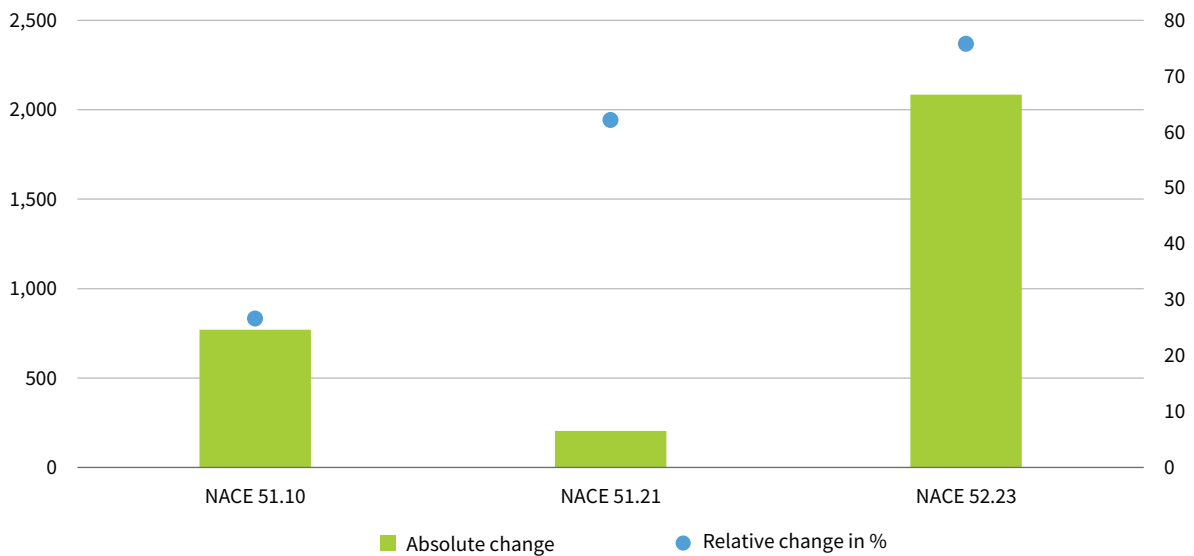
In contrast to ground handling activities, the increase in the number of companies in passenger air transport (NACE 51.10) and freight air transport (NACE 51.21) has been less dynamic since 2011. At least with regard to passenger air transport, this largely corresponds to the generally unchanging numbers of employees.

Figure 5a: Absolute number of companies in the civil aviation sector in the EU27, 2011–2017



Notes: The reliability of the 2015 and 2017 data for NACE 51.10 is low. Data for NACE 51.21 for 2017 are not available.
Source: Eurostat, structural business statistics

Figure 5b: Change in number of companies in the civil aviation sector in the EU27, 2011–2017



Notes: The reliability of the 2015 and 2017 data for NACE 51.10 is low. Data for NACE 51.21 for 2017 are not available.
Source: Eurostat, structural business statistics

In December 2020, there were about 400 EU-based airlines, including mainline or network airlines (largely corresponding to national flag carriers), low-cost airlines, regional airlines, cargo airlines, leisure airlines, charter airlines and corporate air companies (Cirium). Calculations reveal that the 20 largest flag carriers (in terms of employees) operate 30% of the total 5,070 planes in the EU, own 45% of their seats and account

for 47% of their maximum take-off weight. The 20 largest low-cost airlines operate 23% of the planes, own 30% of the seats and account for 18% of the maximum take-off weight. These figures indicate that these two types of aviation companies represent the most significant part of the sector, and the largest companies in it.

Impact of COVID-19 on civil aviation

Measures to contain the spread of COVID-19 in all European countries, such as social distancing regulations, had immediate impacts on businesses with a high level of face-to-face contact with clients, such as personal services and civil aviation flight services. Moreover, several countries temporarily closed their borders to travellers, in order to prevent large numbers of potentially infected people from travelling to other countries. Civil aviation was one of the industries hit the quickest and hardest by the measures; air traffic came close to a complete standstill in March 2020 (EBAA, 2020).

European air traffic collapsed in April and May 2020, with a dramatic fall in the number of passengers carried and commercial flights. Between the second quarter of 2019 and the second quarter of 2020, the number of passengers decreased by over 90% in all EU Member States (Figure 6). Similarly, the total number of commercial flights (transporting passengers, freight and mail) in the EU27 decreased by 91%, 90% and 84% in April, May and June 2020, respectively, compared with the same months of 2019 (Eurostat, 2020b).

Table 2 lists the major airports in the EU Member States with the largest decline in the absolute number of commercial flights from January to October 2020,

compared with the same period in 2019. The largest decreases were recorded in the most important European air transport hubs, including Frankfurt/Main, Paris/Charles de Gaulle and Amsterdam/Schiphol.

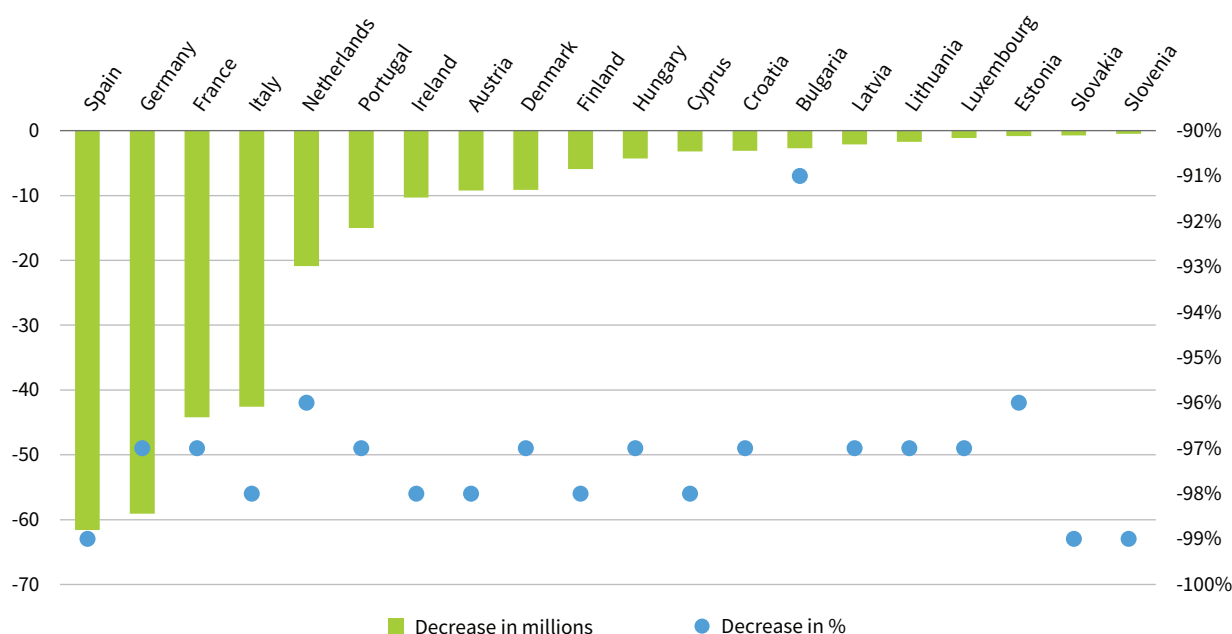
Table 2: Decrease in the number of commercial flights per airport, January–October 2020 compared with the same period in 2019

Airport	Decrease in absolute numbers	Decrease in %
Frankfurt	-251,900	-58
Paris/Charles de Gaulle	-232,200	-55
Amsterdam/Schiphol	-225,700	-53
Munich	-218,300	-63
Madrid/Barajas	-212,800	-60
Barcelona/El Prat	-182,500	-63
Rome/Fiumicino	-172,400	-65
Vienna	-138,600	-60
Copenhagen	-134,900	-61
Palma de Mallorca	-129,200	-66

Note: Airports are ordered by the level of decrease in absolute numbers.

Source: Eurostat, 2020b

Figure 6: Decrease in air passengers per selected EU Member State, Q2 2020 compared with Q2 2019



Note: Member States are ordered by the level of decrease in the number of passengers.

Source: Eurostat, 2020a

According to an aviation round table report, the expected revenue loss of European airlines for 2020 is estimated at nearly €70 billion, and that of Europe's airports stands at €30.9 billion (EBAA, 2020). Moreover, some of the smaller and regional airports in Europe went bankrupt. In 2020, the COVID-19 crisis reduced the number of air passengers worldwide by more than one billion compared with the projected baseline (ACI, 2021). This equates to a decline of 64.6% in global passenger air traffic compared with the projected baseline and a decline of 63.3% compared with the number of air passengers recorded in 2019.

The impact of the COVID-19 pandemic has not been equal for all countries and civil aviation subsectors. The following results from the Eurofound representativeness study on civil aviation highlight the effects of the pandemic on employment and working conditions in the civil aviation subsectors of air transport, ground service activities and air traffic management activities in 2020 (Eurofound, forthcoming).

In the air transport subsector (passenger and freight air transport), virtually all Member States recorded at least slightly negative effects of the COVID-19 pandemic on employment. In several countries, such as Austria, Belgium, Denmark, France, Germany, Hungary, the Netherlands, Portugal and Sweden, the large airlines announced an aggregated 1,000 or more job losses in 2020. According to Eurofound's European Restructuring Monitor events database, significantly fewer job losses were announced or executed in air transport in 2021 than in 2020.

The prevailing modes of workforce reduction reported include job losses resulting from bankruptcies (Level Europe in Austria, two staffing agencies owned by Norwegian in Finland, Jet Time in Germany, and SAS and Air Europa in Spain), forced terminations and dismissals (Austrian Airlines (AUA) and Laudamotion in Austria, Brussels Airlines and Ryanair in Belgium, and Czech Airlines and Smartwings in Czechia, among others), and voluntary early retirement and departure schemes (Air France in France and Luxair in Luxembourg). Generally, all types of airlines tended to resort to job cuts, irrespective of their prevailing business model.

Overall, the methods of restructuring in times of crisis seem to depend on the existence and volume/mode of delivery of state aid and the existence of effective employment retention measures, rather than the business model. In some countries, the authorities have granted subsidies in order to rescue airlines, taking strategic state shares in the companies. Authorities can thereby have a say in the companies' future business directions (SAS of Denmark, Finnair of Finland, Lufthansa of Germany, airBaltic of Latvia, TAP Air Portugal of Portugal and SAS of Sweden). More often,

however, state aid for companies depends on specific restructuring measures. State support in the form of state-guaranteed bank loans, non-refundable subsidies and bailout packages were granted to AUA in Austria (in return for the airline guaranteeing that Vienna International Airport will remain the AUA hub for the next 10 years), Lufthansa in Germany (a bailout package worth €9 billion was linked with a major restructuring programme involving 11,000 job cuts in Germany to be implemented by 2023), Air France in France (the government granted a rescue package worth €7 billion in return for internal restructuring involving at least 7,500 job cuts, including ground staff) and KLM in the Netherlands (a bailout arrangement was made in which the airline received state aid of some €3.4 billion in return for pay cuts for pilots).

Moreover, large-scale employment retention measures contributed substantially to keeping part of the workforce in the air transport sector in several Member States. These measures include short-time working schemes (Austria, France, Germany, Italy and Portugal) and other forms of particularly subsidised temporary unemployment schemes (for instance, the state-funded temporary layoff system in Finland and a furlough scheme in Germany), and national employment retention schemes (such as the Record of Temporary Employment Regulation Scheme in Spain).

In addition, the ground-based civil aviation service activities subsector (in particular, airport-related activities) faced employment losses as a result of the pandemic in most Member States. The effects of COVID-19 on employment in this segment of the industry have been reported particularly for larger airports, ground handling operators and airlines managing their own ground services. Handling and administrative staff suffered the most job losses. Announced or effective job losses affecting at least 1,000 people/posts in 2020 in the ground service activities subsector were reported by Belgium, Denmark, Finland, France, Greece, Hungary, Ireland, Poland and Portugal. Job losses include all forms of employment reductions, from unilateral employment terminations and dismissals to reductions by natural attrition or the use of early retirement schemes and the decision not to hire seasonal workers. In Belgium, for instance, the bankruptcy of Swissport at Brussels Airport resulted in the immediate forced employment termination of 1,500 workers. By contrast, in Croatia and Cyprus no direct job losses have been reported, but job reductions in 2020 compared with 2019 resulted from the airports and ground handling companies' decisions not to hire seasonal workers during the summer period. Air France announced job cuts affecting around 6,000 ground staff all over the country but sought to avoid direct redundancies by implementing voluntary departure schemes.

Various forms of state aid and job retention measures were also used in the ground service activities subsector in several Member States. In Austria and Italy, special COVID-19 short-term working schemes were broadly applied to airport and ground handling staff to avoid large-scale redundancies in 2020. In Belgium, the ground handling company Aviapartner at Brussels Airport received a state loan worth €25 million, allowing it to continue operations without collective dismissals. In Denmark, airports and ground handling providers benefited from a wage compensation scheme for furloughed employees. A similar wage subsidy measure worth €2 million targeting the employees of Tallinn Airport was used in Estonia but this could not prevent the eventual layoff of 111 workers in May 2020.

General, non-sector-specific state aid schemes were introduced in Finland, Greece, Ireland, Italy, Lithuania, Luxembourg, the Netherlands and Slovakia, whereas sector-specific state aid programmes were applied in Poland, Romania and Spain (such as the Record of Temporary Employment Regulation Scheme). Some ground service companies benefited from social partner initiatives and innovative collective bargaining. For instance, at Croatia's Zagreb Airport an annex to the pre-existing company collective agreement was drawn up that provided for the postponement of part of the employees' regular pay and bonuses; moreover, temporary 'inactive working hours' were introduced, exempting employees from work obligations for a certain period, with a salary compensation of 70% of regular hourly rates. In Luxembourg, a tripartite agreement concluded for the entire civil aviation sector provided early retirement schemes for part of the sector's workforce threatened with redundancy and introduced reclassification and retraining programmes for redundant staff, enabling them to take up other posts in the civil aviation sector or even in other sectors.

Largely irrespective of the existence and application of support measures and mechanisms, workers in the subsector have reportedly been under high pressure from employers and authorities since the onset of the pandemic to accept major pay cuts and deteriorating working conditions. Situations such as these have been reported in virtually all Member States.

Working conditions of civil aviation workers

The literature identifies the key driver for the emergence and increase of atypical forms of work as the tightened competition (fuelled in particular by low-cost airlines) following the liberalisation of the sector in the 1990s. This has – at least according to most experts and labour organisations – also triggered a 'race to the bottom' in terms of working conditions (Harvey et al, 2021). However, although there is extensive literature about the changes and challenges in the civil aviation

sector in terms of new forms of employment (as already cited in previous sections), literature concerning working conditions is limited. The assessment and analysis of the emergence and expansion of new types of work and employment implicitly assume that working conditions have become worse with the evolution of atypical forms of work. However, beyond political declarations and manifestos issued by labour organisations (ECA et al, 2018; ACP et al, 2020), which are mostly based on anecdotal evidence, empirical data on working conditions are relatively limited (see Jorens et al, 2015; Bönnemann, 2019; European Commission, 2019). The preliminary changes in employment and working conditions in the civil aviation sector triggered by the pandemic were reduced working hours, bilaterally agreed on or unilaterally imposed by the employer; agreed or unilateral wage reductions; agreements on paid and unpaid leave; and collective redundancies (ILO, 2020). The most striking issues of working conditions emerging from the evolution of new business models and employment relationships in the sector are briefly described below (Juul, 2016).

Outsourcing in connection with the multibase system, introduced in particular by low-cost airlines, has meant that many aircrews have had to operate from airline bases far from where they live, which undermines their **work-life balance** (Fila, 2021). Many airlines, in particular low-cost airlines, operate from a number of (home) bases across the EU; for example, Ryanair have more than 70 bases. Consequently, aircrew employed by the same company may be subject to different jurisdictions and conditions which makes collective action and access to collective interest representation more difficult (Harvey et al, 2021).

The introduction of new forms of contracting and new types of employment and the flexibilisation of human resource management practices have made income more variable for both pilots and cabin crew. Many crew members have been laid off in the past two decades, in particular after the economic crisis (Harvey et al, 2021). This has led to **increased workloads** for the remaining workforce; work pressure has often intensified, including for ground handling staff, as recruitment policies often do not align with the increasing workload resulting from higher passenger numbers.

Outsourcing an increasing number of roles in order to increase cost efficiency and flexibility has become widespread among airlines (pilots and cabin crew) and airports (security, cleaning and ground handling staff), but is less common among aircraft maintenance service providers. Labour organisations regularly assert that **outsourced staff usually receive lower wages, less training and fewer holidays**, and do not have the same access to social security as standard employees. This is partially because they, like other atypically employed staff (such as self-employed and temporary agency workers), are often not unionised (Juul, 2016, pp. 6–7).

Data on pay developments in the civil aviation sector are particularly limited. This is mainly related to the overall reluctance of companies in the sector to unveil their wage policies and salary schemes, particularly low-cost airlines. Available data suggest that workers employed in air transport (except for ground handling workers) tend to earn more than other transport workers. However, according to the European Regions Airlines Association, owing to extensive cost-cutting strategies the average annual basic salary (including allowances) for cabin crew decreased by 14% between 2005 and the early/mid-2010s (European Commission, 2015). Juul (2016) found that the incomes of the employees in the entire civil aviation workforce, including standard employees, employees in outsourced functions and atypical workers, decreased in real terms over the same period. According to the same study, among pilots, the junior pilots, younger than 30, suffered the most from airlines' cost-saving strategies. Wage cuts, at least in real terms, were also evident for ground handling and terminal staff from 2005 to the mid-2010s (Juul, 2016).

Regarding working time, air transport employees often report **irregular working hours, long working days** which result in irregular sleep patterns, early starts and night duties. This is mainly due to the nature of the air transport business, especially on long-haul routes. All categories of aircrew also have to cope with long absences from home, which makes the jobs incompatible with care obligations (Juul, 2016). One issue specific to pilots, and a particular problem in terms of flight and passenger security, is fatigue while on duty in the cockpit. According to a 2012 survey (more recent data are not available), a majority of surveyed pilots indicated that they had experienced fatigue, and about a third indicated that they had fallen asleep or dozed off during the flight without previously agreeing on a rest period with their colleague in the cockpit. Many of them admitted to having made mistakes owing to fatigue. As fatigue has already repeatedly been reported as the main cause of serious incidents in air transport, trade unions, in particular the European Cockpit Association, have called for more rigid working time regulations for pilots and for authorities to monitor working time more strictly. Currently, apart from the Working Time Directive (2003/88/EC) applying to all European employees, working time in the civil aviation sector is regulated through Regulation (EU) No 83/2014. Annex II of this regulation stipulates flight and duty limits per day, week, month and year, and sets out minimum rest periods per day and month depending on previous duties. Accordingly, pilots' total flight times should not exceed 1,000 hours per year and their total duty time should not exceed 60 hours in any seven consecutive days (Juul, 2016).

Ground handling and airport operations staff have also reported problematic working hours. According to the Eurofound study on the civil aviation sector, a range of issues exist in virtually all Member States (Eurofound, forthcoming). Irrespective of the actual form of employment relationship, ground staff are commonly confronted with shift work, night work (in particular, check-in staff), irregular hours, high work intensity and physically demanding manual work (for instance, in the case of baggage handlers). All these factors can potentially be detrimental to workers' health and well-being (Eurofound, 2017; Eurofound, 2019).

As trade union presence among ground handling and airport terminal staff is usually less prominent than among aircrew, and their structural power is less than that of flight staff (in particular, pilots) or air traffic management employees, they tend to have fewer resources overall to demand and eventually enforce effective improvements in their working conditions. Irregular schedules, shift work and time pressure, often in combination with a lack of national language skills (often migrant temporary agency workers or posted workers are employed), make it difficult for trade unions to recruit ground staff. Eurofound's correspondents from Austria, Croatia, Czechia, Hungary, Ireland, Italy and Poland have reported such problems.

In addition, civil aviation workers have faced a range of **occupational risks** stemming from the pandemic. For instance, disruptions to flight operations and restrictions due to COVID-19 have angered passengers and increased instances of harassment against staff (see ETF et al, 2020). In addition, many aviation employees lack confidence in workplace safety and have inadequate information about pandemic-related risks (ILO, 2020).

One aspect of working conditions that has been increasingly examined in recent years concerns the health risks of air transport staff. Aircrew are exposed, particularly on long-haul routes, to risks that may have significant negative effects on the workforce's health in the long term (Hutter et al, 2021). There are many studies indicating that pilots and flight attendants have a higher risk than the general population of getting some types of diseases. These health effects are thought to be caused by ionising radiation, noise exposure, interior cabin air exposure, time pressure and other factors specific to aircrew. Overall, flight attendants have a 10% increased risk of developing any form of cancer. Considering only breast cancer in women and all types of dermal cancer, flight attendants' risk of falling ill is between 40% and 100% higher than the general population. There are most likely a variety of reasons for this increased risk. One factor may be the disruption to the diurnal rhythm, which may also account for a higher incidence of miscarriages among

pregnant women working as aircrew. Diurnal rhythm interferences may also contribute to higher incidences of sleep disorders and related conditions. Last but not least, aircrew are generally exposed to a substantial risk of infection, due to their frequent direct contact with passengers. This issue has been brought to the fore since the onset of the COVID-19 pandemic.

Industrial relations: actors and institutions

The main features of the industrial relations and collective bargaining structures in the civil aviation sector across the EU, with a strong emphasis on the social partner organisations, are addressed in Eurofound's representativeness studies on the civil aviation sector (Eurofound, 2010; Eurofound, forthcoming). These studies are the main source of comparative data on social partners and processes. They identify the relevant trade unions and employer organisations in the sector for each Member State. Additional industrial relations literature related to the sector is limited and often outdated (see Eurofound, 2005; Eurofound, 2010).

Trade union representation

Sectoral trade unions can be found in all EU Member States. At least one trade union exists in all EU countries representing employees in the ground handling subsector. For the air transport subsector, trade unions exist in all EU Member States except five (Bulgaria, Cyprus, Lithuania, Slovakia and Slovenia). The trade union landscape reflects the heterogeneity of the sector, which is characterised by a high degree of variation in business activities and labour market segmentation in terms of qualifications and occupations. Moreover, unionisation in the sector is still relatively high, even though it is declining (mostly due to the emergence of atypical forms of employment and the displacement of standard employment relationships). This is the case particularly in the air transport subsector (and to a lesser degree in the ground handling subsector).

The relatively high union density is due to the sectionalist profile of many trade unions. This means that each trade union organises only a particular part of the sector (in terms of worker category, business activity, type of company or territorial coverage), whether it organises employees outside the sector (overlap) or not. Eurofound's representativeness study on the civil aviation sector finds that most trade unions representing civil aviation employees have a sectionalist membership domain or overlap sectionally with regard to the whole sector (Eurofound, forthcoming). A narrow membership domain tailored to particular employee groups tends to create a 'small-size effect', which contributes to avoiding non-union

members benefiting from advantages of union membership. In the air transport subsector, sectionalism is even more prevalent than in the ground handling subsector. For example, in air transport there are many occupational trade unions whose membership is limited to either pilots or cabin crew, which enables them to represent the interests of these occupational groups specifically.

Large businesses (which can usually be unionised more easily than small enterprises) also have relatively high levels of unionisation, dominating major parts of the sector in both the air transport subsector and the ground handling activities subsector. With regard to airlines, unionisation is a legacy of the former monopoly providers and their often still dominant successor companies. Nevertheless, in this context it is important to note that some of the large new players, for example Ryanair (Harvey et al, 2021) and Wizz Air (ECA, 2020; ETF, 2020) do not actively support unionisation.

Large companies also dominate the ground handling and airport-related activities subsector. Fragmentation among trade unions representing employees in ground handling and airport-related activities is particularly pronounced. Of the total 89 ground handling trade unions, only 14 cover all of the specified ground handling activities; all other unions cover only specific ground handling activities, such as baggage handling and the operation of ticket desks (Eurofound, forthcoming).

A clear majority of trade unions take part in single-employer collective bargaining in both subsectors, either as the only form of bargaining or in tandem with multi-employer bargaining. Relatively few trade unions solely engage in multi-employer collective bargaining. This tendency is even more pronounced in the air transport activities subsector, where collective agreements – if they exist – are usually concluded at company/airline level rather than sector level owing to the lack of comprehensive employer organisations in this subsector in most countries.

Employer organisation activity

On the employers' side, there are far fewer sectoral employer organisations than trade unions in most Member States. Most employer organisations are found in the ground handling activities subsector, where 17 Member States record at least one employer organisation, while only 13 countries contain such an organisation in the air transport subsector. This is due to the particular traditions and business structures of the sector, where large companies have been established as major employers and therefore also as relevant trade union counterparts in industrial relations. Where employer organisations exist, their density tends to be rather high which could be due to the sectionalist and narrow membership domains of employer organisations (similar to sectoral trade unions).

Most employer organisations represent only a particular part of the sector in terms of business activities and/or occupations, type of company or territorial coverage. Overall, sectionalism usually derives from only partial coverage of civil aviation business activities, in that employer organisations rarely represent businesses in the areas of air transport, air traffic management services and ground handling activities simultaneously; rather, they mostly specialise in only one subsector activity within civil aviation. Only three employer organisations represent companies across the entire civil aviation sector: two are general, cross-sectoral employer organisations (the Confederation of Danish Industry and Palta of Finland) and one has a membership domain congruent with the civil aviation sector (the Civil Aviation Employers' Union of the Slovak Republic (UZvCL SR/)). All other employer organisations rely on narrow interest representation in terms of business activities.

Collective bargaining practices

Among the trade unions, 30% are involved in multi-employer bargaining, either exclusively or in combination with single-employer bargaining. However, a clear majority of trade unions (61%) take part in pure single-employer bargaining. By contrast, among employer organisations, the vast majority (67%) engage in exclusive multi-employer bargaining and an additional 22% combine multi- and single-employer bargaining. In addition to the employer organisations, often large companies in both air transport and ground handling/airport activities are the principal industrial relations actors rather than the employer organisations. This explains the high share of trade unions involved in single-employer bargaining rather than multi-employer bargaining.

Given that business activities within the ground handling service subsector alone are very diverse, ranging from baggage handling to fuelling and airport fire services, as many as 15 employer organisations from eight countries engage in collective bargaining, covering only part of this subsector rather than all activities/employees within ground service activities. As with the situation of trade unions, sectionalist bargaining in the subsector results from the predominantly sectionalist or sectionally overlapping membership domains of employer organisations in the ground service activities subsector.

Single-employer bargaining in the civil aviation sector is the exclusive form of bargaining in 14 Member States and the prevalent one in four Member States. In these countries, the rate of collective bargaining coverage

tends to be below that of countries with exclusive (Greece and Sweden) or prevalent (Belgium, Denmark, France, Italy, Slovakia, Slovenia and Spain) multi-employer bargaining in the sector. However, countries with exclusive single-employer bargaining arrangements may also record relatively high collective bargaining coverage if most of the largest companies are engaged in collective bargaining. This is particularly true in Luxembourg and Malta, both with collective bargaining coverage in the sector of over 75%. In Austria, Finland, Germany and the Netherlands, prevalent single-employer bargaining arrangements in the sector coincide with relatively high collective bargaining coverage. This is because in these countries single-employer agreements with the largest airlines and/or airports and air control agencies can be concluded. These co-exist with multi-employer collective agreements covering some smaller business areas or occupational groups in the sector.

Strikingly, bargaining practices in the civil aviation sector often differ from general industrial relations practices in the Member States. For instance, in the overall economy the Nordic countries and several central, southern and western European countries are characterised by prevalent multi-employer bargaining arrangements. In the civil aviation sector, however, trade unions in many of these countries tend to be involved in exclusive or prevalent single-employer collective bargaining rather than multi-employer arrangements, particularly in Austria, Finland, Germany, Greece, Luxembourg, the Netherlands and Portugal. In the Baltic states and a number of central and eastern European countries, industrial relations patterns in the civil aviation sector largely correspond to the country's standard pattern, with either predominant or exclusive single-employer bargaining.

In several Member States, the sectoral social partners are part of tripartite bodies dealing with sectoral topics including:

- Austria: Social, technical and environmental issues
- Denmark: Climate-related issues and issues of aviation security, education and market regulation
- France: Pensions and issues of professional discipline
- Hungary: Training issues
- Poland: Future development of the aviation sector
- Romania: Issues of public investments and gender equality
- Sweden: The overall future of the sector (Eurofound, forthcoming)

2 Social dialogue and collective bargaining during the COVID-19 pandemic

Conceptual and methodological approach

This chapter analyses national policy measures and initiatives covering the EU Member States and Norway, identified and reported by the Network of Eurofound Correspondents (Annex 2), to better understand the role of social dialogue and collective bargaining in addressing the challenges faced by the civil aviation sector during the COVID-19 pandemic. A total of 65 measures were collected; however, 14 of these were excluded either because they dealt with the air traffic management subsector, which is not included in this study (see Box 1), or because they were not directly related to the pandemic or could not be identified as distinct from other initiatives.

The wide variety of measures or policy initiatives reported in the national contributions were classified by:

- the type of social dialogue practice and involvement of social partners (from direct negotiation to no involvement) during COVID-19
- the issues addressed in different social dialogue practices, including pay, employment retention, short-time work schemes, health and safety, working time, maintaining the liquidity and solvency of companies and redundancies

Social partner involvement during COVID-19

The type of social dialogue and the involvement of social dialogue partners are divided into four main categories:

- regular/formal social dialogue and collective bargaining rounds
- extraordinary formal/informal social dialogue practices or agreements initiated during the pandemic and involving some kind of negotiations on specific issues arising from the pandemic
- social partner involvement through information or consultation procedures, but not through negotiation and agreement
- no involvement of social partners

Table 3 highlights social dialogue and collective bargaining practices and topics according to the type of involvement of social partners during the COVID-19 pandemic. It shows that the most prevalent form of social partner involvement by far was through **extraordinary bargaining or negotiations** on specific issues (arising from the pandemic). Such social partner intervention was found in 22 countries (Austria, Belgium, Bulgaria, Cyprus, Czechia, Denmark, France, Germany, Ireland, Italy, Latvia, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden), which shows the relevance of intensified social dialogue in times of crisis.

This is no surprise, as in many countries the pandemic has caused serious instability in the sector, and extraordinary efforts have been required to tackle this effectively. Moreover, well-established and solid industrial relations structures may have supported extraordinary social partner initiatives in most of these countries. This practice was most common in the contexts of pay, employment retention and redundancy.

The second most frequent type of social partner intervention identified was **regular social dialogue and collective bargaining rounds**, which were found in six countries (Croatia, Finland, France, Malta, Norway and Sweden). Again, in particular, pay issues were dealt with through regular social dialogue and collective bargaining rounds; pay was also the core topic addressed through regular bargaining before the COVID-19 pandemic.

Information and consultation practices without real negotiations occurred relatively rarely and mainly in the context of measures aimed at maintaining the liquidity of the sector's companies. As such measures were usually associated with funding activities of state authorities, social partner participation beyond consultation procedures was uncommon. Information and consultation practices were reported to have taken place in Germany, Hungary, Ireland, Italy and Slovakia.

No social partner involvement in the context of the pandemic was found in four countries: Estonia, Greece, Hungary and Lithuania. In these countries, either the social partners in the civil aviation sector were completely sidelined by the authorities (Greece and Hungary) or the social dialogue did not really work, partly because there are no strong social partner organisations in the sector (Estonia and Lithuania).

Table 3: Distribution of social dialogue and collective bargaining practices by type of social partner involvement and issues covered (2020)

	Pay	Retention of employment	Short-time work	Maintaining liquidity	Redundancies	Health and safety	Working time	Total
Extraordinary negotiation	10	7	3	1	5	1	2	29
Regular negotiation	4	1	2	0	1	1	0	9
No involvement	0	1	3	4	0	0	0	8
Information/consultation	1	0	0	3	0	1	0	5
Total	15	9	8	8	6	3	2	51

Source: Network of Eurofound Correspondents

Of the 51 measures and initiatives identified, 38 refer to strong social partner involvement, in that the social partners participated substantially in the negotiations about drafting, developing and/or implementing the measures in a bipartite or tripartite setting. Those measures are included in Table 4, which differentiates them (disaggregated by theme/issue covered) according to the level of social dialogue or collective bargaining (multi-employer or industry arrangement versus single-employer or company arrangement) and the subsector addressed (air transport activities versus ground-based handling or airport-related activities).

A majority of measures and initiatives with strong social partner involvement through direct negotiations (including collective bargaining) took place at individual company level. This is true, in particular, of measures covering pay issues, redundancies, health and safety issues, and working time issues. By contrast, measures addressing the retention of employment and regulating short-time work schemes tended to be negotiated at industry level rather than individual company level. This is because such measures were usually quite demanding in terms of regulatory capacity and often required comprehensive regulatory action at national or

Table 4: Distribution of social dialogue and collective bargaining practices by level of social dialogue, subsector and issues covered (2020)

	Pay	Retention of employment	Short-time work	Maintaining liquidity	Redundancies	Health and safety	Working time	Total
MEB/industry-level initiative	Cyprus Germany Italy Sweden	<i>Spain</i> Belgium <i>Bulgaria</i> Denmark Finland Luxembourg <i>Spain</i>	<i>France</i> Sweden <i>Slovakia</i>	Norway				15
SEB/company-level initiative	Czechia Austria Hungary Netherlands Portugal <i>Austria</i> <i>Czechia</i> <i>Ireland</i> <i>Netherlands</i> <i>Norway</i>	<i>Portugal</i>	France Hungary		<i>Latvia</i> <i>Slovenia</i> Italy Latvia Malta <i>Malta</i>	Hungary Romania	<i>Netherlands</i> Poland	23
Total	14	8	5	1	6	2	2	38

Notes: MEB, multi-employer bargaining; SEB, single-employer bargaining. Each country code corresponds to a measure. Codes in normal font indicate measures covering air transport; codes in italics indicate measures covering ground handling activities; and codes in bold indicate measures covering both air transport and ground handling activities.

Source: Network of Eurofound Correspondents

industry level. Moreover, half of the measures with strong social partner involvement covered both the air transport and ground handling/airport-related activities, while slightly more measures exclusively covered air transport activities (in particular, single-employer arrangements addressing individual airline companies) than exclusively covered ground-based activities.

Issues covered in social dialogue practices during COVID-19

Most EU countries have adopted different policy measures to sustain the civil aviation industry, which has been hit particularly hard by measures to curb the spread of COVID-19. These measures are classified into seven different categories: pay, employment retention, short-time work schemes, redundancies, health and safety, working time and maintaining the liquidity and solvency of companies.

The issues addressed in different social dialogue practices have partially been classified according to the main analytical dimensions identified in the research literature. The empirical material provided by the Network of Eurofound Correspondents has complemented this theoretical classification. These categories vary in scope, as some of the measures address very specific issues (such as pay, working time or health and safety-related issues), whereas others comprise a bundle of different measures in the context of a comprehensive restructuring or state aid programme. Therefore, the measures are assigned to the above categories based on their main aims, considering that many pay-related measures and initiatives also have a working time-related dimension and that short-time work schemes are based on reductions in both working hours and pay. Nevertheless, it seems reasonable to identify short-time work schemes as a separate category to be analysed. Exploring the working time- and pay-related dimensions in isolation would not capture the framing of these aspects and therefore the circumstances in which related measures or initiatives were implemented.

Pay

Since the civil aviation sector as a whole, and individual airlines in particular, were heavily affected by COVID-19, there was a need to (temporarily) cut variable costs for many companies. This category on pay includes measures and initiatives aimed at reducing costs for businesses by immediately cutting wages, either at individual company level or at sector level.

With regard to the issues dealt with in social dialogue, the distribution shown in Table 3 indicates that pay issues were dealt with in almost a third of all cases reported (15 out of 51). Strikingly, with the exception of only one case (in Sweden, the sectoral social partners

disregarded the pandemic and agreed upon a pay increase of 5% for 2021, giving employers the opportunity to postpone the payment of the increase by five months), pay was always dealt with in the context of crisis-induced wage cuts. In some countries, such as Austria, Croatia, Ireland, Norway and Portugal, organised labour eventually accepted salary waivers as part of or as a result of restructuring large airlines, so as not to threaten the company as a whole.

In Austria, for example, a ‘crisis collective agreement’ was concluded for AUA stipulating a salary waiver worth €300 million up until 2024 in order to avert additional redundancies. Similarly, in summer 2020 a crisis collective agreement for Ryanair’s subsidiary Laudamotion was concluded, under high pressure from Laudamotion’s management, to amend the pre-existing collective agreement providing wages for pilots and cabin crew that the management deemed excessive. The trade union responsible, Vida, felt forced to sign the collective agreement, after the management urged the workforce to accept lower wages (wage cuts of up to €300 per month) or risk being fired. In this context, it should be mentioned that, only one month after the conclusion of the ‘cheaper’ collective wage agreement, Laudamotion’s management announced its plan to move the company’s base from Vienna to Malta. In September 2020, the former company Laudamotion in Vienna was closed down; only a small base and a small administrative unit of the new airline Lauda Europe remained in Vienna.

In Croatia, in the 2020 regular bargaining round for Croatia Airlines, the trade unions accepted a decrease in salaries of 15% and the cancellation of some bonuses and holiday supplements to secure the future of the company.

In Ireland, the management of Aer Lingus proposed the ‘COVID recovery plan’ in autumn 2021, according to which a pay freeze until December 2024 should be imposed, together with a reduction in sick pay entitlements for new entrants and a cut in sales commission payments for cabin crew. The trade unions rejected the proposal, and the dispute has been forwarded to the Workplace Relations Commission. By contrast, in the case of Ryanair an agreement was achieved that involved tiered pay cuts of 10% for cabin crew and 20% for pilots, both to be restored over a four-year period.

Similar to the case of Aer Lingus in Ireland, a labour dispute broke out in Cyprus when some ground handling companies (including Swissport, LGS and S&L Airport Services) decided to pay workers only part of the 13th salary (a holiday bonus equivalent to one month’s salary). The employers argued that the handling workers should be paid according to the months that they had actually worked in 2020, as the operation of flights had been suspended during the pandemic. When the responsible trade unions

announced a work stoppage in response to the employers' decision, the Minister for Labour intervened and brought the social partners to the negotiating table to settle the conflict. On consultation, the employers changed their initial decision and proceeded with full payment of the 13th salary to ground handling workers.

In Norway, the management of SAS terminated its collective agreement in December 2020. In the new agreement, the unions agreed to waive a previously agreed wage increase for pilots for 2021. Similarly, in Portugal formal negotiations of 'temporary emergency agreements' at company level suspended and amended parts of the company agreements in force, for both TAP Air Portugal and its subsidiary Portugália Airlines. The trade unions were put under extreme pressure to sign the agreements, as the management announced that the number of redundancies envisaged would be reduced from 2,000 to 800 as a result. The temporary emergency agreements that the unions eventually signed suspended the wage scales provided by preceding agreements with the two companies, and reduced wages by up to 50% for pilots and up to 25% for all other staff until 2024.

With regard to the airports and the Lufthansa group in Germany, extraordinary bargaining resulted in 'crisis pacts for airports' and a crisis collective agreement for Lufthansa. The emergency collective agreement for airports stipulated the following: the postponement of pay increases until 2023, the suspension of performance-related pay until 2023 and increased employee contributions to a supplementary pension scheme. For Lufthansa ground staff, the new agreement imposed a pay freeze in 2021, the cancellation of the Christmas bonus in 2020 and 2021 and the cancellation of holiday pay in 2021. Moreover, the collectively agreed short-time allowance was reduced from 90% to 87%.

A special 'solidarity fund for the air transport sector and the airport system' was established in Italy, jointly managed by the signatories of the sectoral collective agreement and financed by the government. The fund was created after the social partners had urged the government to provide additional financial means in order to support the income of the sector's workers during the pandemic.

Employment retention

In response to the collapse of sales and severe loss of business caused by the temporary cessation of air transport activities during the pandemic, many companies resorted to collective dismissals, or at least considered them. This category applies to measures aimed at preventing or minimising large-scale layoffs by supporting the employees affected by or threatened with dismissal by implementing interim state-funded schemes preventing unemployment (including temporary unemployment and wage compensation schemes).

Measures addressing the issue of the protection and retention of employment were quite prevalent in the civil aviation sector and differ in terms of scope and features. They include cross-sectoral measures that had particular significance for the civil aviation sector, even though they were not specifically designed for or tailored to the sector (implemented in Belgium, Denmark, Greece and Luxembourg). Some measures and initiatives were negotiated or enacted specifically for the civil aviation sector or the broader transport sector (in Bulgaria, Finland and Spain). This includes temporary unemployment and wage compensation schemes intended to retain employment (implemented in Belgium, Bulgaria and Denmark), the temporary suspension of employment contracts in combination with job protection (implemented in Greece), comprehensive job retention plans applicable to the civil aviation sector (implemented in Luxembourg) and diverse bipartite social partner initiatives at sector or company level to retain employment in the sector (implemented in Finland, Portugal and Spain).

In Belgium, the 'temporary unemployment scheme due to *force majeure*' was, in March 2020, extended by decision of the National Labour Council, the highest-level body in which the social partners conclude agreements on labour market policies. Initially, this scheme was set up during the financial crisis of 2007–2008 in order to safeguard companies and their employees in times of crisis. In normal times, the scheme may be applied only under certain conditions, such as when a company or a sector is heavily affected by unforeseen circumstances (for example, extreme weather) or economic turbulence. The adaption and extension of the scheme has meant that the procedures for application were simplified and made smoother and that the scheme was – in principle – open to all sectors and companies. According to the scheme, companies that need to temporarily cease operations can list their employees as temporarily unemployed instead of laying them off. The employees affected receive a benefit equal to 70% of their average salary (capped at €2,754.73 per month) and a supplement of €5.63 per day. Over time, the scheme has changed and been restricted to certain sectors. It now targets only sectors hit particularly hard during the pandemic, including civil aviation.

Similarly, in Denmark social partners and the government agreed on a general measure applicable to the whole economy – the 'temporary wage compensation scheme' – in March 2020. The scheme allowed employers affected by the pandemic and forced to reduce their operations to apply for temporary wage compensation in order to prevent bankruptcy and/or collective dismissals. The wage compensation had a ceiling, which required the company to top up the state compensation for higher-earning employee groups, such as pilots in civil aviation. Most of the employees in Denmark's civil aviation industry were covered by this

scheme. In order to limit the amount to be paid in addition to the state compensation, social partner talks, in particular in airlines, frequently resulted in agreements providing for wage reductions for pilots. As a result, most jobs could be retained.

A wage compensation scheme aimed at retaining employment in companies severely affected by the pandemic was also introduced in Bulgaria in June 2020. In contrast to the schemes set up in Belgium and Denmark, the one established in Bulgaria had a limited scope and covered only the tourism and transport sectors. In these two sectors, it provided for wage compensation on behalf of employers that had registered a reduction in sales revenue of at least 20% due to the COVID-19 pandemic and had fully paid taxes and social security contributions for 2019. This measure was aimed at retaining employment in the two sectors by granting compensation for part of the salaries, taxes and social security contributions, at BGN 290 (€148 as of 3 August 2022) per employee per month, for up to six months. Moreover, this measure could be combined with the 60/40 income support scheme for workers applicable to all sectors. Through this scheme, the Bulgarian state covered 60% of the wages of employees in affected sectors who would otherwise have been laid off, including social security contributions. By combining the two schemes, sector-specific support in civil aviation could reach 80/20, with the state covering 80% of wage costs and social security contributions. The social partners, in particular the Confederation of Independent Trade Unions of Bulgaria (CITUB), proposed and designed the measures during the regular rounds of negotiations of the National Council for Cooperation.

In Greece, through the enactment of Law 4714/2020 of July 2020 (largely without social partner involvement, as social partners were sidelined during the pandemic), special regulations on the temporary suspension of employment contracts for sectors hit particularly hard by the crisis, including civil aviation, were set out. These provisions were initially valid from July to August 2020 (but were prolonged until 2021) and prohibited employers using the scheme from amending the employment contracts of affected employees or dismissing them during this period. The temporarily suspended employees were eligible to receive a special payment of €534 for 30 days of suspension (pro rata in cases of suspension lasting less than 30 days) and full social security coverage.

In Luxembourg, for example, national tripartite and sectoral bipartite dialogue reactivated a national, cross-sectoral 'job retention plan', already legally established in 2006, to protect jobs in all sectors negatively affected by the pandemic. The job retention plan covered a broad range of issues, such as support for employees, training, employee transitions, working time arrangements and voluntary departures. As part of

this general job retention plan, the social partners in the civil aviation sector at individual company level (Luxair and Luxembourg Airport) concluded new agreements reflecting the spirit of the job retention plan, meaning that layoffs were largely avoided. In particular, in applying the plan in the civil aviation sector, a series of submeasures were established, ranging from early retirement schemes through partial unemployment schemes to temporary labour loans (temporary deployment in an organisation other than the actual employer).

In Spain, two sector-specific initiatives addressing the issue of job protection/retention of employment were launched. First, a bipartite collective agreement at sector level, signed by three trade unions and the employer organisation representing ground handling companies (the Association of Airport Handling Service Companies, SEATA), was concluded in June 2021. This agreement aims to safeguard the level of employment in ground handling activities and establish clear transfer and subrogation clauses. More precisely, in the event of dismissals due to the crisis, after economic recovery the old or a new provider must deploy the workers under the same working conditions and in the same posts as before the crisis. Moreover, a job bank was created so that workers could be re-employed when companies resumed their business. Employees in the job bank were to be re-employed in order, from those with the oldest employment contracts to those with the newest employment contracts. This measure was in effect until the end of 2021. Second, a general request from the sectoral social partners representing pilots and cabin crew (trade unions) and the air transport companies (the employer organisation Association of Airlines (ALA)) was addressed to the Ministry of Transport. In this formal request, the social partners argued for tax exemptions and additional financing tools for air transport companies and, in particular, help to maintain the skills of workers made redundant before they resumed work. In particular, the unions requested aid to maintain workforce training while staff were not employed, to prevent workers from needing long and expensive retraining, which would hinder their immediate redeployment once the companies resumed operation.

As part of regular sectoral collective bargaining in the civil aviation industry in Finland, an additional chapter on the COVID-19 pandemic was added to the collective agreement in March 2020. The aim was to enable social partners at individual company level to react quickly and flexibly to economic changes. Accordingly, the notice period for implementing the temporary layoff scheme was shortened from 14 days to 2 days. Furthermore, the agenda for co-operation negotiations linked to the temporary layoffs had to be made available only three days in advance instead of five days, as stipulated by law. In addition, the time

necessary for negotiating the scheme's implementation was reduced from 14 days to just 1 day.³ This set of measures enabled employers to implement the temporary layoff scheme within a few days, which was important for airlines in particular when the number of passengers declined.

In the case of the airline Portugália of Portugal, a company agreement with the Union of Civil Aviation Pilots (SPAC), which organises pilots, was concluded in October 2020, and included a memorandum of understanding on contracting new pilots. Portugália agreed to adopt a preferential criterion in the selection of employees to be hired under an open-ended standard employment contract. This meant that, if laid off due to the negative effects of the pandemic, employees who had a fixed-term contract until 2020 had to be recruited first after the crisis.

Short-time work schemes

As mentioned above, short-time work schemes are a special set of measures aimed at job protection and employment retention. They allow a temporary reduction of actual working hours for the employees affected, while providing state subsidies for the purposes of employment retention and income support either to the company applying for the scheme due to a severe financial crisis or directly to the employees affected. Usually, the social partners are involved in the design or implementation of these schemes.

In Greece, Law 4690/2020, enacted in June 2020, establishes the Syn-ergasia scheme. This scheme covered some sectors of the economy severely affected by the pandemic, including civil aviation, and allowed companies facing financial difficulties due to the crisis to reduce weekly working hours by up to 50%. They could do so for either some or all of their employees, depending on their operational needs. While the companies were using this scheme, they were prohibited from amending the employment contracts of the employees it covered, and any dismissal was considered null and void. Employees participating in the scheme were paid financial assistance for short-time work, amounting to 60% of their net earnings. At the same time, state budget subsidies covered social security contributions in full. The social partners had no role in designing or implementing this scheme.

In France, after a unilateral decision by the management of Air France to launch a short-time work scheme in the company, negotiations with the trade unions were held and an agreement was signed to implement a long-term, short-time work scheme (activité partielle de longue durée (APLD)). The aim is to

cope with the significant reduction in demand for services in the long run, and to avoid large-scale dismissals. The APLD allows for a two-year extension of the short-time work scheme and includes a request to the authorities to increase the legal limit of working time reduction from 40% to 50% during the first half of 2021, given the seriousness of the crisis. In terms of remuneration, employees receive an hourly allowance corresponding to 70% of their gross pay. The airline rules out any recourse to collective redundancies until the end of 2022. Moreover, the agreement contains a clause on the importance of continuously training the employees participating in the APLD scheme in order to maintain their skills. The agreement also provides for the establishment of a special committee composed of the management and trade unions to define the priority areas for developing the employability and career paths of the employees. The sectoral social partners in France signed a collective agreement that included terms and conditions similar to the Air France agreement on behalf of the whole air transport subsector in March 2021. This agreement allows any company in the sector to use the APLD scheme (as outlined above) for 24 months, consecutive or not, over a reference period of 36 consecutive months, until mid-2025.

In Croatia, the possibility of short-time working was legally established at the onset of the pandemic. Croatia Airlines used this measure during formal negotiations with the company trade unions that led to an agreement. The two sides of industry at the airline were very keen to use the available support measure of co-financing wages for reduced working hours. The measure is mostly financed by the European Commission's Support to Mitigate Unemployment Risks in an Emergency (SURE) programme and implemented by the Croatian Employment Office. Initially, from July to October 2020, the scheme provided for a maximum reduction in working time of 50%, with the employer receiving a net amount of HRK 2,000 (€257 as of 3 August 2022) per employee per month from the Croatian Employment Service. Since October 2020, the scheme has been repeatedly amended and made more flexible in terms of working hours. It was extended until the end of 2021, with the possibility of a further extension, depending on the epidemiological context. Almost all staff of the airline participated in the scheme, meaning that large-scale job losses were avoided.

In Hungary, Government Decree 105/2020, issued in April 2020, introduced a short-time work scheme. This was part of a comprehensive economy protection action plan that the government introduced in 2020. In accordance with the scheme, state aid may be provided

³ The temporary layoff scheme enables employers in economic difficulty to temporarily lay off employees, who are then eligible to receive an allowance from the unemployment allowance fund, while the employer does not pay a salary to the employees.

during the state of emergency to employees who agree to reduce their working hours for a maximum period of three months. The reduced working hours may be between 25% and 85% of their previous working time. The rate of state subsidy is fixed at 70% of their net salary. An amendment to the decree extended the scheme to temporary agency workers. The social partners had no role in designing the measure and were completely sidelined. Little is known about the use of the scheme in the civil aviation sector. The company Aeroplex, specialising in aircraft maintenance, implemented this scheme, which prevented workers from losing their job during the pandemic.

As in Croatia and Hungary, in Lithuania the short-time work scheme was introduced in the first phase of the pandemic. The Lithuanian scheme provided for a differentiated system depending on the age of the beneficiary and the scale of the contribution that the employer had to pay (the employer could choose between two options). The scale and duration of the state subsidy depended on these factors. The main aim of the scheme was to protect employment in times of crisis. The scheme proved important for the civil aviation sector, as 23 companies operating in civil aviation used it between March 2020 and August 2021.

In Sweden, a sector-level collective agreement on the implementation of short-time work in the civil aviation sector was concluded in March 2020, in accordance with the act on short-time work that requires short-time work to be implemented through sector-level agreements. The sectoral agreement stipulates that working hours can be reduced by 20%, 40%, 60% or, in some cases during the pandemic, up to 80%. Pay cuts are relatively moderate thanks to generous state support. Details can be regulated by company-level social partners. Social partners deem this measure the most important initiative in the sector, as it helped to secure the jobs of many employees.

Redundancies

In cases where redundancies appear to be inevitable, at least from the employer's point of view, measures aimed at mitigating their social effects may be implemented. Such measures include voluntary departure schemes, unpaid leave and promises of re-employment at the end of the economic crisis.

Four countries reported six measures primarily dealing with redundancies: Italy, Latvia, Malta and Slovenia. In these countries, the measures and initiatives revolved around pandemic-induced company restructuring involving redundancies that had already been enforced (with the option of re-employing the fired staff after the crisis). Hence, these measures were different from measures addressing the issue of employment retention, which were aimed at preventing or at least limiting collective redundancies.

Measures addressing the issue of redundancies can be found in relation to companies hit particularly hard by the COVID-19 crisis, whether they were in economic difficulties before the pandemic (Alitalia) or not (airBaltic, Riga Airport, Air Malta, Fraport Slovenia).

Health and safety

This category applies to the various measures at sector and individual company levels adopted to support the safety and well-being of both aircrew and ground staff. Measures related to health and safety were also reported in some countries (Croatia, Hungary and Romania). In Croatia, in order to prevent the spread of the virus among the workforce, the management and the works council of Croatia Airlines negotiated a temporary telework regulation for those able to work remotely (in particular, administrative staff). The agreement on teleworking includes details of the employer's provision of technical equipment to employees and reimbursement of work expenses.

In Hungary, the management of the company Aeroplex, which specialises in aircraft maintenance at Hungarian airports, temporarily introduced a 'zoned work schedule' after consultation with the company's trade union. Accordingly, in the hangars at Budapest Airport, 22 separate zones were established in order to prevent or minimise contact between people working different hours and in different areas of the business. In addition, staff movements and contact between workers were constantly monitored and controlled, meaning that the spread of infection and large-scale absences could be largely averted.

In Romania, the management of the air transport company TAROM wanted to reduce health insurance premium payments on behalf of its employees, in order to save costs during the pandemic. The aim was to reduce premiums for the health insurance covering licensed personnel (that is, technical staff, pilots and cabin crew), which only insures against the risk of lethal accidents. By reducing premiums, the amount insured (the insurance benefit) would have decreased significantly. In bilateral negotiations between TAROM's management and five company trade unions, it was agreed that premium payments would be reduced for licensed personnel, involving a reduction in the insurance benefit in the event of lethal accidents from €100,000 to €30,000. In return, this health insurance scheme was extended to all TAROM staff, including unlicensed personnel. Thus, while the management reached its goal of reducing premiums and therefore overall costs, the trade unions managed to extend insurance coverage to all staff, albeit to the detriment of the licensed staff, who had previously been insured on more favourable terms.

Working time

This category includes measures dealing with the organisation and distribution of working time, often in the context of reduced service demand as a result of the pandemic. Working time issues are often closely related to pay because a reduction in working time, especially in times of crisis, is often a result of the employer attempting to reduce labour costs. The essence of short-time work schemes is a significant reduction in working hours in response to a drop in turnover. However, while the reduction of working hours as part of short-time work schemes is part of a broader strategy to secure the company and protect its workforce, the following two cases describe situations where working time issues are considered (at least by the employers) the key instrument to safeguard the company, beyond the scope of short-time work schemes.

In the Netherlands, the management of the airline KLM and the Dutch Trade Union Federation (FNV) concluded three successive company agreements providing for quick adjustments to work schedules in order to flexibly respond to changing business cycles. However, in April 2021 KLM's management unilaterally decided that part-time workers in KLM ground handling activities and passenger services would have to work five shifts, meaning longer working hours and poorer work-life balance. FNV strongly rejected this move and mobilised the workforce against the five-shift model by organising a petition, preparing legal proceedings and threatening industrial action. Eventually, KLM's management was forced to annul its decision.

In the case of Poland's airline LOT, which was also struggling to maintain liquidity in 2020, the management sought to achieve an agreement with five company trade unions to reduce remuneration while maintaining pre-existing full-time employment relationships. However, negotiations with one of the unions failed and the airline made the unilateral decision to change the employment conditions. More precisely, owing to a significant reduction in business activities as a result of the pandemic, all employees had to work part-time from October 2020 for a two-year period. Working hours were reduced by 50% (of previous working hours) and pay was cut accordingly.

Maintaining the liquidity and solvency of companies

This category covers financial and other support measures for civil aviation companies affected by the pandemic to secure their liquidity and thus their survival. The measures primarily targeted the companies directly, whether or not the financial

support was bound by any requirements (for example, regarding employment retention).

Table 3 shows that measures addressing the issue of maintaining the liquidity and solvency of companies in the civil aviation sector were also high on the agendas of governments and social partners. A total of 8 of the 51 measures identified fall within this category. Interestingly, half of them were designed and implemented without social partner involvement, which indicates that the state administrations often resort to this kind of intervention when social partners are not capable of negotiating other solutions (as is the case in Estonia and Lithuania) or that social partners are deliberately sidelined by the governments in such 'core' sovereign issues as granting state aid (which was the case in Greece and Hungary).

Measures aimed at maintaining the liquidity of companies are often closely related to addressing employment retention, as securing the continued existence of an employer/company usually goes hand in hand with protecting employment. While measures addressing the retention of employment primarily target the workforce, they may involve state subsidies paid to the company, which are subsequently used to implement employment retention schemes. However, the main purpose of measures and initiatives aimed at maintaining the liquidity of companies was to secure the companies' survival after the pandemic.

Germany may serve as a good example of initiating measures that aim to maintain the liquidity of aviation companies in times of crisis, which all stakeholders perceived as a prerequisite for largely maintaining employment despite the dramatic decline in air transport activity. Public loans have been provided to airlines and travel agencies by a special funding agency (Kreditanstalt für Wiederaufbau) and silent partnerships (whereby the equity capital of the financier does not appear in the commercial register) with the Economic Stabilisation Fund. Through these and other funding measures, companies such as the travel agency TUI will receive up to €4.7 billion by summer 2024, while for instance Lufthansa (as part of a comprehensive extraordinary stabilisation package) will receive a total of €9 billion within the next few years. While the financing measures are extraordinary COVID-19-related initiatives that the management of affected companies and the government have implemented, the social partners do have a secondary advisory role.

Similar state aid for companies in the civil aviation sector was granted in some other Member States, albeit of substantially smaller amounts of money, including Estonia, Italy and Norway.

In Italy, different forms of public intervention were introduced in order to support the entire civil aviation sector. Law Decree No. 34 of May 2020 created a special fund of €350 million, targeting passenger air transport companies exercising public service obligations. Another fund for national operators (other than those eligible for support under the previous fund) was established, with an initial budget of €100 million and a further increase by €100 million provided for by Law Decree No. 73 of May 2021. Airport operators benefited from a special fund set up in 2021 that was endowed with €500 million. The social partners had only a consultative role in developing and implementing these financial measures.

Norway stands out in terms of social partner involvement with regard to the rescue packages for the civil aviation sector, as the related measures were the result of pertinent tripartite talks in the sector. The package, passed by parliament in March 2020, included a state guarantee of up to €600 million, with half of this amount reserved for the airline Norwegian, and €150 million reserved for SAS, Widerøe and other smaller companies.

In Estonia, the Estonian Aviation Cluster, a business organisation representing private and public aviation companies, were critical of the fact that financial aid was exclusively granted to state-owned companies, such as the airline Nordica and Tallinn Airport. The cluster called upon the government to establish sector-specific support measures worth €36 million accessible to all civil aviation companies.

In Greece, the government decided to relieve the tax burden of transport sector companies (including aviation companies) by reducing value-added tax from 24% to 13% for the period June to October 2020. Moreover, an exceptional payment of €20 per offered seat, including value-added tax, was granted to airlines servicing routes partially subsidised by the state, such as remote islands.

Temporary tax relief for the civil aviation sector was also introduced by decree in Hungary. This tax relief included – among other things – an exemption from social insurance and vocational training contributions. After the Civil Aviation Association (CAVIA) intervened with the State Tax Inspectorate, Lithuania included the civil aviation sector in the list of sectors entitled to tax deferral. Therefore, all civil aviation companies were in principle entitled to agree on arrangements for tax payment arrears to stabilise their financial situation during the pandemic.

Social partners' assessment of their involvement during COVID-19

Despite the important formal role the social partners still play in the sector in many countries (see the section below on 'Outcomes'), the bargaining power of trade unions has decreased in virtually all Member States. This is because in times of economic crisis the power balance between the two sides of industry tends to shift to the advantage of employers, as there is a smaller surplus or none to distribute through bargaining. Concession bargaining is the result of unfavourable economic circumstances due to the major impact of the pandemic on the sector, in which the employers give the trade unions a choice between accepting lower pay and conditions or else collective dismissals.

In some countries, in particular those without a long tradition of social partnership in the sector, not only the trade unions but also the employer organisations and/or large companies have frequently been sidelined by administrations. This occurred, in particular, during the first waves of the pandemic, when states of emergency were declared. However, in some countries, unilateralism was the government's strategy of choice over seeking negotiated solutions in the long run.

This means that with regard to bipartite social partner relationships a shift in the bargaining power to the detriment of labour organisations can be observed in almost all Member States. The situation relating to tripartite settings is more diverse. In several countries (Austria, Belgium, Bulgaria, Finland, France, Germany, Luxembourg and Spain, among others) the government deliberately approached the social partners to benefit from their expertise in governing social and labour market issues and enhance the legitimacy of policymaking. However, some countries have consistently sidelined social partners in the sector to prevent the interference of third parties (this has been the case primarily in Greece and Hungary, but also partially in Ireland, Italy and the Baltic states).

In situations where companies' post-pandemic survival was at stake, social partners tended to agree on emergency solutions relatively quickly. This was the case, for instance, for Austria's AUA, where an add-on collective agreement provided a €300 million salary waiver to save the company. Similarly, pay reductions were agreed for Czech Airlines and Prague Airport of Czechia; airlines, airports and ground handlers in Germany; Croatia Airlines of Croatia; Ryanair of Ireland (although not through formal collective bargaining); and several other examples.

Apart from these achievements resulting from overall relatively smooth social dialogue processes compared with the pre-pandemic situation, several instances of social partner disagreement can be observed. Social partners frequently disagreed on issues of pay and restructuring processes involving redundancies. In the case of Aer Lingus in Ireland, the management put forward a formal proposal for the substantial restructuring of the company (the COVID Recovery Plan), providing for a pay freeze and significant changes to terms and conditions, such as a reduction in sick pay and lower starting salaries. As the social partners at company level could not arrange a solution, the dispute was forwarded to the Workplace Relations Commission (where it was still to be settled as of Q2 2022).

With regard to Alitalia and its successor company ITA Airways of Italy, the trade unions continued to fight against worsened working conditions, in particular in terms of pay (compared with that of Alitalia), and the only partial integration of the former Alitalia workforce in ITA Airways. In the cases of Latvia's airline airBaltic and Riga Airport, the trade unions strongly opposed redundancies in both companies. They highlighted the possibility of reducing the number of dismissed workers by transferring them to other jobs or putting them on paid leave with the option of returning to their former jobs once the negative effects of the pandemic were over.

Similarly, the trade unions organising different occupational groups in Air Malta opposed the restructuring plans the management implemented. In particular, the reduced 'social wage' for pilots was criticised as being unfair, as it did not reflect the differing ranks and responsibilities of pilots. With regard to cabin crew, the relevant trade union argued that the company's policy of renewing the contracts of employees with fixed-term contracts and simultaneously cutting the wages of staff with regular contracts would obviously drive out the more senior and long-serving cabin crew in the company.

With regard to the differences within the workforce stemming from staff hierarchy, the different views of trade unions representing specific groups of employees in the sector reflect the heterogeneity of the sector in terms of both business activities and occupations. The heterogeneity of the sector results in the pronounced fragmentation of the industrial relations landscape in the sector in several Member States. Against the background of pandemic-induced job losses and pay cuts and an overall tightened labour market, the different employee groups risk being played off against each other; sometimes, this rivalry is fuelled by competing trade unions trying to entice members from other unions to join theirs. This allegedly has been the case at Aer Lingus of Ireland, where one trade union has accused another of poaching members and a third trade

union has been reportedly enjoying preferential treatment from the Aer Lingus management as a separate negotiating body. As a consequence of this inter-union rivalry, Aer Lingus unions rarely operate as a single body, meaning that it is difficult to achieve an overall company agreement.

In the case of Poland's airline LOT, there are five company trade unions, which makes it very difficult to agree on a uniform position on the side of the labour organisations vis-à-vis the company management. While four trade unions signed a new remuneration agreement in the light of threatened restructuring and collective redundancies, the fifth trade union refused to sign the new remuneration regulations that the airline proposed, arguing that the airline had received state aid worth €650 million and should be capable of protecting the workforce and guaranteeing fair wages. As a consequence, the airline unilaterally imposed an even less favourable remuneration regulation for the staff than the initial management proposal.

Social dialogue outcomes following COVID-19

This part of the analysis builds mostly on the assessments by the Network of Eurofound Correspondents on the recent evolution of social partner relationships and whether these relationships have improved or deteriorated as a consequence of their (non-)involvement in managing the consequences of the pandemic. The section analyses the outcomes of social dialogue and collective bargaining initiatives by focusing on two dimensions.

The procedural dimension: This involves questioning whether or not the social dialogue practices during the pandemic crisis have changed compared to the pre-pandemic situation in the civil aviation sector. In this regard, it is important to bear in mind that in the civil aviation sector industrial relations practices frequently differ from national standard patterns; countries with dominant and comprehensive multi-employer arrangements across major parts of their national economies regularly record prevailing single-employer bargaining or mixed arrangements (multi- and single-employer bargaining in parallel) in the civil aviation sector (see the section 'Industrial relations: actors and institutions').

The substantive dimension: This focuses on the substantive results or solutions of social dialogue initiatives. More precisely, it assesses the scope of measures by making a distinction between outcomes addressing short-term challenges posed by the crisis and outcomes of more strategic initiatives tackling long-term issues in the sector (which may have become more prominent or visible during the pandemic).

Outcomes from a procedural perspective

The starting point for addressing the procedural perspective is the question of whether social dialogue and collective bargaining in the civil aviation sector have – in the opinion of the social partners involved – improved or deteriorated compared with the period before the COVID-19 pandemic, or whether or not there have been any changes in the procedure of sectoral social dialogue.

Shortly after the onset of the pandemic, the need to tackle an emergency situation contributed to enhancing the role of social dialogue at sector and/or company levels. Social partners frequently engaged in bargaining in bipartite and tripartite settings, and they took part in negotiating and drafting measures to financially support companies affected by the pandemic and retain employment. However, social partners were not always able to work effectively together and social dialogue was not always fruitful. As shown below, there were cases where long-standing conflicts escalated during the pandemic, and social dialogue worsened in terms of the frequency of meetings and/or outcomes.

Overall, examples of initiatives involving social partners can be found in virtually all national contributions. However, different patterns occur in countries with different industrial relations systems and traditions (Table 5), although to a lesser extent than expected.

Outcomes according to industrial relation regimes

In the Nordic countries and Germany, which form the **organised corporatism cluster**, social dialogue in the sector has proved important in saving companies and employment in the civil aviation sector. Overall, social dialogue practices and collective bargaining have not changed substantially since the beginning of the COVID-19 pandemic. During the pandemic, the interactions between the sectoral social partners increased in frequency, in particular immediately after the onset of the health crisis, when flight operations decreased to almost a standstill and rescue packages were subsequently drawn up. While in Finland the relevant measures were agreed on as part of regular bargaining rounds, in Denmark social partner initiatives were launched in a separate process and did not affect regular bargaining in the sector. In Finland, regular bargaining included a COVID-19-related chapter in the collective agreement aimed at rapidly and unbureaucratically implementing the so-called temporary layoff system in civil aviation companies when required.

In Norway, despite an out-of-cycle tripartite initiative to create a rescue package for airlines proved effective, company-level bargaining has often been difficult against the background of pressure on employers to reduce costs. These difficulties reflect the inherent disadvantages of single-employer arrangements in a sector characterised by companies pursuing different business models.

Table 5: Industrial relations regimes and the main developments since COVID-19 in sectoral social dialogue and collective bargaining (summary)

Industrial relations regimes ^a	Countries	Main developments
Organised corporatism	Denmark, Finland, Germany, Norway, ^b Sweden	Strong social partners with high capability of regulating pressing issues in regular and extraordinary collective bargaining
Social partnership	Austria, Belgium, Luxembourg, Netherlands	Robust institutionalised setting at national and sector levels, but different developments and mixed outcomes at company level
State-centred associational governance	France, Italy, Portugal, Slovenia, Spain	Different developments subject to countries' major crisis policies (Italy, Portugal, Slovenia), with well-functioning social dialogue structures (France and Spain)
Company-centred governance	Croatia, Hungary, Slovakia	Lacking coordination above company level, but substantial outcomes in major companies (Croatia and Slovakia)
Voluntarist associational governance	Bulgaria, Cyprus, Czechia, Greece, Ireland, Latvia, Lithuania, Malta, Romania	Different developments subject to the willingness of (large) companies to cooperate with labour organisations, in a context of overall weak social partners and institutionalisation
Market-oriented governance	Estonia, Poland	No (Estonia) or weak (Poland) social partners at industry level, with aggravated tensions between social partners in the Polish airline LOT

Notes: ^a Eurofound, 2018. *The Eurofound (2018) typology exploring diversity specifically between countries in terms of industrial democracy is based on a combination of 'normative' indicators (for instance, amount of information provided to employee representatives) and 'contextual' indicators (for instance, state intervention in collective bargaining).* ^b Norway is not included in the Eurofound (2018) typology exploring diversity specifically between countries in industrial democracy.

Source: Authors' own work, based on data from topical updates from the Network of Eurofound Correspondents

By contrast, in Sweden collective bargaining has proceeded smoothly at industry level, with regular wage bargaining responding flexibly to the challenges posed by the pandemic and extraordinary bargaining at industry level implementing a short-time work scheme applicable to civil aviation companies.

Germany's social partners have played a key role in managing the crisis at sector and company levels. They have repeatedly demonstrated their ability to find solutions to avoid or cushion the effects of dismissals by negotiating various emergency or crisis collective agreements. Direct state financial support for aviation companies has, however, been a prerequisite for the social partners to negotiate crisis pacts.

The countries clustered into the **social partnership regime** (Austria, Belgium, Luxembourg and the Netherlands) benefit from well-established and robust industrial relations structures characterised by predominant or at least significant multi-employer bargaining and strong employer organisations in most sectors. They show mixed outcomes in the civil aviation sector. In Austria, an add-on collective agreement for the flag carrier AUA, providing a €300 million salary waiver to save the company, was almost unanimously concluded, while negotiating a 'crisis' collective agreement for Ryanair's subsidiary Laudamotion proved very contentious and ended in the transfer of the company to Lauda Europe in Malta in autumn 2020. Industrial conflicts in the company were subsequently aggravated by the pandemic.

By contrast, in Belgium social dialogue occurs smoothly at all levels, reflecting the high level of formalisation of industrial relations in the country. However, at individual company level several extraordinary consultation rounds took place in cases of severe difficulties, sometimes resulting in collective dismissals (Swissport, Brussels Airlines and Aviapartner). In Luxembourg, the COVID-19 pandemic has shown that social dialogue continues to prove robust and well-functioning in times of crisis. By implementing a national job retention plan at industry level, the sectoral social partners helped to ensure that there were no layoffs for economic reasons in the civil aviation sector.

In the Netherlands, social partners at the airline KLM collaborated well in the first phase of the pandemic to overcome the most pressing challenges; however, when KLM's management unilaterally decided to amend the working shift regulations for ground handling staff, the relationship between the FNV union confederation and the management deteriorated.

In the countries forming the **state-centred associational governance cluster** (France, Italy, Portugal, Slovenia and Spain), the impacts of the pandemic on social dialogue and collective bargaining in the sector have been diverse. In France, social

dialogue at industry level remained stable and intense during the pandemic, which was a precondition for the successful implementation of the various forms of short-time work in the sector. Relationships between social partners and the government even intensified in the context of the development of support measures for the aviation sector. Similarly, in Spain well-established social dialogue in the sector made it possible to address some of the most urgent issues that the pandemic created: bilateral agreements were concluded on safeguarding employment by introducing transfer clauses for ground staff and maintaining workforce training during their period of inactivity, despite the fact that collective bargaining in the ground handling subsector was postponed due to the pandemic.

By contrast, in Italy the relationships between social partners in the sector and tripartite interrelationships proved very contentious, even though the pandemic intensified the relationship between the social partners and the government as a result of the increased need to manage a difficult situation. At individual company level, one main source of conflict has been the unresolved problem of managing the transition of the Alitalia flagship company to the new ITA Airways company, in particular the issue of terms and conditions for the workforce moved to ITA Airways. At industry level, the relationship between trade unions and low-cost airline has been particularly adversarial, as the latter refuse to be covered and bound by sectoral collective agreements, particularly in times of crisis. In response, the trade unions called a series of sectoral strikes in 2021.

In Portugal, social dialogue at TAP Air Portugal and Portugália was essential in finding solutions to the challenges posed by the pandemic, in order to save both airlines. However, the trade unions' bargaining power was limited, given the demands of the restructuring plan negotiated with the European Commission. Overall, relationships between the social partners in the sector have substantially deteriorated. The temporary emergency agreements for the two airlines were concluded in a situation of high vulnerability for the trade unions, which were under threat of unilateralism and dramatic job losses.

Slovenia is an example of a country in this industrial relations cluster where social dialogue practices have not changed at sector level as a result of the pandemic, but where social partners at individual company level (Fraport Slovenia) have failed to find a solution to mitigate the consequences of collective redundancies.

The **company-centred governance cluster** encompasses Croatia, Hungary and Slovakia. This cluster is generally characterised by a low level of associational governance, with low union density and low collective coverage rates, buttressed by highly decentralised and uncoordinated collective bargaining.

However, in these countries relatively strong rights to participation at individual company level are guaranteed by statutory works council rights. Accordingly, in Croatia these highly developed representation and participation rights at company level helped the social partners of Croatia Airlines to implement a short-time work scheme and a homeworking regulation in the company; moreover, a temporary salary waiver was agreed on in an annex to the established collective agreement to maintain employment in the company. Overall, relationships between social partners of Croatia Airlines have improved since the start of the pandemic.

However, in Hungary relatively well-established industrial democracy at company level has not contributed to substantial social partner involvement in measures aimed at mitigating the negative impacts of the pandemic. This is mainly because the government has refused any social partner consultation, but has unilaterally introduced tax relief measures for civil aviation companies and a kind of short-time work scheme in the sector. Moreover, the largest airline in Hungary, Wizz Air, has thus far refused to accept trade unions as equal negotiating partners and seeks to use individual arrangements with employees, such that social dialogue is virtually non-existent.

In Slovakia, both sectoral social partners and company social partners at individual airports managed to obtain – in a tripartite setting – some financial state aid for the airport subsector and implement employment retention schemes to benefit ground staff.

In the Member States forming the **voluntarist associational governance cluster** (Bulgaria, Cyprus, Czechia, Greece, Ireland, Latvia, Lithuania, Malta and Romania) the exclusive or dominant form of collective employment regulation in the civil aviation sector is single-employer bargaining. This suggests that the industry-wide coordination of measures to tackle the negative impacts of the crisis would be difficult. Nevertheless, at least in Bulgaria it was reported that industry-wide social dialogue made a major contribution to safeguarding employment in the sector during the pandemic. In this country, the social partners managed to implement a wage compensation scheme across the entire transport sector, including civil aviation.

In Czechia, company trade unions for Czech Airlines and Prague Airport of Czechia were forced to conduct concession bargaining (for a salary waiver), in order to safeguard the survival of both companies. Ultimately, at least at Prague Airport, the unions managed to limit effective redundancies and to establish a provision according to which employees made redundant owing to the pandemic would be the first to be rehired once the economic situation had improved.

In Latvia, the respective company trade unions of airBaltic and Riga Airport failed to prevent collective redundancies and could not introduce any measures to lessen the negative effects of dismissals in airBaltic. However, at Riga Airport the unions did persuade the management to commit to first rehiring those workers who had been laid off during the pandemic. Overall, social dialogue practices have not changed substantially in Latvia's aviation sector during the pandemic.

In Lithuania, virtually no social partners are active in the sector, at least on the employees' side. Therefore, policy measures addressing the impact of the pandemic, such as tax deferrals for the benefit of companies, were set up unilaterally by the government without social partner consultation or involvement.

In Greece, even though there are relevant social partner organisations in most sectors of the economy, in virtually all sectors, including civil aviation, they were completely sidelined in drafting, developing and implementing measures lessening the negative impact of the pandemic. This means that all measures launched and established in the sector, including financial compensation for airlines, a short-time work scheme and the labour market instrument involving the temporary suspension of employment contracts, were unilaterally imposed by the government. However, the social partners may have (partially) supported them anyway.

In Cyprus, against the background of the cessation of flight operations in 2020, a number of ground handling companies decided in autumn 2020 to pay the 13th salary (a holiday bonus equivalent to one month's salary) only partially to workers, which induced the trade unions for ground handling staff to announce a strike. However, the Ministry of Labour's immediate intervention allowed a fast resolution to the dispute when the employers finally showed that they were willing to pay employees in accordance with their contractual commitments and the trade unions withdrew their strike announcement. Overall, however, the relationships between social partners in the sector have somewhat deteriorated.

In Ireland, the relationships between trade unions and the airline Aer Lingus have worsened as a result of the crisis, and no pay cut proposals from the management were agreed with the staff representatives. By contrast, relationships between the unions and Ryanair, albeit not actively supporting unionisation, have improved notably during the crisis. The relevant unions accepted cost-cutting plans that Ryanair proposed and the relationship between the two sides of industry have become more harmonious.

In Malta, social dialogue has generally deteriorated in the sector, in particular in Air Malta, where the dismissal of 69 pilots was taken to court by trade unions.

In Romania, the trade unions did not welcome the intention of the airline TAROM to cut costs by reducing the coverage of the health insurance premium. In bilateral negotiations, TAROM's management and the five company trade unions reached an agreement to reduce the premium while extending the health scheme to all TAROM staff, including unlicensed personnel.

The **market-oriented governance cluster**, which comprises Estonia and Poland, is characterised by low levels of industrial democracy at industry level, due to the weakness (or complete absence) of social partners above company level and thus low levels of collective bargaining coverage. Social dialogue performance at company level tends to be diverse, depending on the sector and the type of company. Estonia is an example of a country where social partners are virtually completely absent in the civil aviation sector. There is a lobby group of businesses in the sector, the Estonian Aviation Cluster, which has publicly campaigned for sector-specific financial support measures in order to 'rescue' the sector. However, this cluster group considers itself a business association with the purpose of lobbying for better overall conditions for aviation businesses rather than an employer organisation. Moreover, it does not cooperate with trade unions.

In Poland, social dialogue in the civil aviation sector is mainly established at individual company level. A case of severe tensions between the two sides was reported at the Polish airline LOT, where most company trade unions had initially accepted cuts in the remuneration and employment regulations that the management board proposed in response to the crisis, but one union refused to agree to these measures. This deepened the conflict between the management and labour organisations in the company, thus weakening the social partners' ability to jointly tackle the challenges posed by the health crisis. Moreover, this conflict spilled over to other levels of social dialogue and tripartite bodies, meaning that stances have hardened and solutions are less likely to be agreed on.

Developments in the industrial relations landscape

Industrial relations structures in the civil aviation sector are very heterogeneous, not only across countries but also within countries, and sectoral multi-employer collective bargaining for a particular segment of the sector may co-exist with company-level bargaining. Overall, the quality and outcomes of social dialogue and collective bargaining may be quite different for different parts of the sector even in the same country. This makes it somewhat difficult to directly relate social dialogue practices in the sector to the prevailing industrial relations patterns of a country. However, it is clear that well-functioning social dialogue and collective bargaining processes at industry level are more likely to occur in a context of robust and strong industrial relations structures above individual company level, as

is generally the case in countries within the social partnership and organised corporatism industrial relations regimes.

However, there is little to no correlation between well-functioning social dialogue practices at individual company level and the predominant industrial relations regime of a country. This is because company bargaining, in particular in the context of a crisis, tends to be an exception in countries with prevailing multi-employer arrangements, and in such situations the advantages of industry-wide coordination and the aggregation of interests are absent. When company-level bargaining does not complement industry-level bargaining but replaces it, it aims to bring benefits over other company arrangements. This holds true irrespective of the predominant industrial relations pattern of a country. Therefore, practices of problematic or failing social dialogue at company level during the pandemic can be observed in all countries regardless of the type of industrial relations regime.

Irrespective of the predominant industrial relations pattern of a country, social dialogue practices seem to have intensified (but have not necessarily improved) at both industry and individual company levels since the onset of the pandemic. Individual company-level social dialogue increased in virtually all Member States mainly because in the civil aviation sector the company level is often the prevailing (if not exclusive) arena for social dialogue, often in combination with sector-level social dialogue practices. Particularly in the air transport subsector, the concentration of companies is high, such that just a few large companies – often reluctant to gather in employer organisations – dominate the sector. In such cases, single employers, rather than employer organisations, are often the main industrial relations actors on the employers' side.

As the COVID-19 pandemic severely threatened the future survival of many of the large operators, it is no surprise that the parties at company level joined forces to achieve negotiated solutions, benefiting both the employers and the employees in extraordinarily difficult times. Accordingly, social partners at sector and/or company levels in a number of countries indicate that social dialogue practices have (at least in subsectors or individual companies) intensified, albeit not necessarily improved, including in Austria, Belgium, Bulgaria, Croatia, Cyprus, Denmark, Finland, Germany, Ireland, Luxembourg, Norway, Portugal, Slovakia and Spain. In Greece, Hungary, Latvia, Poland and Slovenia, social dialogue at sector or company level significantly weakened or deteriorated or did not take place at all because the social partners were completely sidelined by the government and could not join forces. In Estonia and Lithuania, there is no noteworthy social dialogue structure at all, as there is a lack of actors on at least one side of the industry.

Substantive results of social dialogue initiatives

With regard to the substantive outcomes of the measures achieved by social dialogue, all of them tackle short-term challenges emerging immediately from the pandemic or aggravated by it. At the same time, most of them have a medium- to long-term dimension as their outcome will have an impact for many years. Some measures may have only a temporary effect on the workforce concerned, for instance temporary pay cuts or working time reductions, if they do not affect the structure of pay or working time regulations and are only isolated interventions. However, although the companies are safeguarded through these measures and can avert possible bankruptcy, they do have a long-term effect from the companies' point of view, and therefore from that of the employees.

This becomes clear when considering the example of Ryanair's subsidiary Laudamotion, based in Vienna, which initially forced the employees to accept significant wage reductions (by threatening to close down the company) and then, after the new and 'cheaper' collective agreement had been signed, moved its business to Malta, where it founded a new airline (Lauda Europe). This also holds true for state financial support for individual companies in the sector. When considering the measure as an isolated temporary means of support, for instance in the form of a public loan with a well-defined time limit, the immediate outcome is the sum of money granted to the company; nevertheless, the overall effect and the purpose of the measure is for the long-term survival of the company.

In the context of short-term versus long-term perspectives, the following measure does not fit into the previous classification of measures (see the section above on 'Issues covered in social dialogue practices during COVID-19'). In 2021, the second National Aviation Conference was held at Berlin Brandenburg Airport in Germany. The conference is a tripartite initiative with the goal of strengthening Germany's aviation industry. The focus of the high-level conference was on, besides the impact of the pandemic, important topics for the future, such as climate and environmental protection and international competitiveness. The conference announced a series of measures to support the revival of aviation in Germany, including pandemic-induced measures, (for example, travel restrictions, health and safety measures, and the quick implementation of digital solutions to provide proof of vaccination, recovery or tests) and long-term measures (for example, towards sustainable aviation). The latter set of measures includes support for new drive systems and environmentally friendly aircraft technologies, the digitalisation of industrial processes, preparations for technologies for electric and hybrid-electric flying and support for power-to-liquid aviation fuel.

Changes implemented to revive aviation in the context of the pandemic are primarily short-term solutions to tackle its immediate effects – to be reversed once the health crisis has ended. The second set of measures, for sustainable competitiveness and climate protection, are long-term solutions and essential determinants of the future of the sector.

3 | Conclusions

The COVID-19 pandemic has hit the EU's civil aviation industry particularly hard in terms of business operations and, consequently, in terms of employment. While the sector has been affected by (temporary) dramatic decreases in turnover almost equally across countries, the employment impacts have varied considerably between countries, depending on the ability of the national governments and social partners to mitigate the negative effects of the crisis on companies and workers. It can be observed that the pandemic has highlighted the precarious employment relationships and working conditions of many workers, an issue that emerged from the liberalisation of the European civil aviation industry in the 1990s. Workers with atypical employment relationships were the first to be laid off in pandemic-driven collective redundancies in several Member States.

Role of social partners during COVID-19

The report analyses the role of social partners in addressing the challenges created or exacerbated by the COVID-19 pandemic in the civil aviation sector. This analysis shows that – in formal terms – the most prevalent form of social partner involvement was through extraordinary bargaining or negotiation initiatives on specific issues arising from or exacerbated by the pandemic. Such social partner interventions were found in 22 Member States and highlight the relevance of intensified social dialogue in times of crises, often owing to the need to lessen the negative impacts of public health restrictions on the economy and employment in the sector.

Regular bargaining rounds proved important in dealing with relevant issues during the pandemic. Significant differences between countries could be seen in social dialogue and collective bargaining practices. In the Nordic countries, forming part of the organised corporatism cluster, strong social partner organisations with considerable capacity to regulate pressing issues in both regular and extraordinary bargaining proved very important in saving companies and thus retaining employment in the sector.

In the countries clustered into the social partnership regime, the robust and well-established industrial relations structures did not always benefit the civil aviation sector, as the national standard pattern of multi-employer bargaining does not necessarily apply to this sector. For instance, in Austria and the Netherlands, the prevailing mode of industrial relations in the civil aviation sector is company-level bargaining, which proved adversarial in the cases of Austria's airline Laudamotion and the Netherlands' airline KLM.

By contrast, in France and Spain, forming part of the state-centred associational governance cluster, well-functioning social dialogue structures in the sector translated into the successful implementation of short-time work schemes (France) and employment retention and training schemes (Spain). In countries with overall less developed industrial relations systems, intensified social dialogue contributed to safeguarding employment in the sector through sectoral wage compensation schemes (Bulgaria) and short-time work schemes (in Croatia, for Croatia Airlines).

However, the intensification of social dialogue has not always meant improvement in bilateral social partner relationships. In several cases, social partners have failed to find a solution and matters have subsequently been brought to arbitration bodies or courts, as in the cases of Ireland's Aer Lingus and Malta's Air Malta. In Greece and Hungary, social partners were largely sidelined by the government and could not join forces, while in Estonia and Lithuania social partners are lacking on at least one side of the industry.

Changes to social dialogue and collective bargaining

The report has explored the extent to which existing social dialogue and collective bargaining in the civil aviation sector in the Member States and Norway was adapted or changed to address the challenges posed by the pandemic. While the study findings have not identified substantial changes in terms of industrial relations institutions, actors or standard procedures, they have shown that in several countries there has been an evolution in the subjects covered by social dialogue, as social partners have been dealing with topics beyond the traditional ones.

A recent study indicates that social dialogue during the pandemic has mainly focused on areas where social partners typically concentrate their activities: the regulation of employment-related issues such as pay and working time (Brandl, 2021). Results from the analysis of the national contributions corroborate these findings in so far as formal collective bargaining usually revolved around pay and working time issues during the pandemic (including bargaining rounds that were induced by the pandemic and took place outside the regular rounds). However, wage bargaining meant temporary wage reductions in exchange for either an employment guarantee or a reduction in employee dismissals as a consequence of the slump in operations. Sweden was the sole exception; there, salary increases were achieved.

Apart from these ‘traditional’ issues, civil aviation social partners were also involved in negotiations or consultation procedures targeting non-traditional issues. As outlined in the report, social partners were regularly consulted, actively negotiated and implemented measures targeting employment retention, including short-time work schemes, the maintenance of the liquidity of companies substantially affected by the health crisis and the provision of support in the case of inevitable (or already executed) collective redundancies. Measures aimed at maintaining the liquidity of companies, however, were mostly unilaterally imposed by the authorities without social partner involvement or introduced with only marginal social partner involvement through information and consultation procedures. By contrast, measures relating to employment retention and short-time work schemes and regulations around the issue of collective redundancies were mostly directly negotiated by social partners in bipartite or tripartite settings.

Pressing and upcoming challenges for the civil aviation sector

The report also draws attention to issues, exacerbated by the pandemic, which social partners could not find joint solutions or that were only partially addressed. The most pressing issue is that the COVID-19 pandemic has put further pressure on wages and salaries in the sector. This added to the fall in average pay levels over the past 15 years among all occupational groups in the sector, mostly due to the emergence of various forms of atypical employment linked to increased competition and business models focusing on low-cost strategies.

The sector is highly heterogeneous in terms of both business activities and occupations, which is reflected by the pronounced fragmentation of the industrial relations landscape in the sector. This means that sectoral trade unions often cannot achieve coordinated industry-wide strategies and collective bargaining.

Inter-union rivalry, as witnessed in Ireland and Poland, may also become an issue in other countries, given the context of an overall labour market tightened by collective redundancies affecting thousands of people all over the EU.

Moreover, the bargaining power of all occupational groups in the civil aviation sector – including the relatively well-paid pilots – has diminished since the onset of the pandemic in many Member States. There are two main reasons for this: the first relates to the pandemic itself, while the second relates to general labour market and business trends since the aviation sector’s liberalisation in the 1990s. In times of economic crisis, the power balance between the two sides of industry tends to shift to the advantage of employers, who have the power to give employees the choice between lower pay and redundancy. Such a situation generally leads to concession bargaining, as can be observed in the sector in virtually all Member States. The emergence of low-cost airlines and the establishment of their business models based on cutting labour costs is forcing the unions to opt for more aggressive strategies, including industrial action, even in those countries with a long tradition of social peace and social partnership.

Beyond the immediate goal of overcoming the economic crisis in the sector triggered by the COVID-19 pandemic, there are a range of medium- and long-term challenges that will need to be tackled in the next few years. Apart from the issue of establishing EU-wide minimum employment standards in the sector, there is a need to make the aviation industry more sustainable in terms of environmentally friendly technology and innovations, from alternative fuels to new drive systems and aircraft technologies. In this respect, the regulatory capacity of policymakers at global, European and national levels will be decisive, and could benefit from the involvement of the sectoral social partners.

Bibliography

All Eurofound publications are available at www.eurofound.europa.eu

ACI (Airports Council International) (2021), 'The impact of COVID-19 on the airport business and the path to recovery', 25 March, available at <https://aci.aero/2021/03/25/the-impact-of-covid-19-on-the-airport-business-and-the-path-to-recovery/>, accessed 7 March 2022.

ACP (Airline Coordination Platform), ECA (European Cockpit Association) and EurECCA (European Cabin Crew Association) (2020), *ACP–ECA–EurECCA: Common views on (bogus) self-employment in aviation*, web page, available at <https://eurecca.eu/post/acp-eca-eurecca-common-views-bogus-self-employment-aviation>, accessed 7 March 2022.

Bechter, B., Brandl, B. and Meardi, G. (2012), 'Sectors or countries? Typologies and levels of analysis in comparative industrial relations', *European Journal of Industrial Relations*, Vol. 18, No. 3, pp. 185–202.

Bönnemann, V. K. V. (2019), *The impact of atypical employment on job satisfaction of airline pilots*, Master's thesis, University of Vienna, Vienna.

Brandl, B. (2021), 'The cooperation between business organisations, trade unions, and the state during the COVID-19 pandemic: A comparative analysis of the nature of the tripartite relationship', *Industrial Relations: A Journal of Economy and Society*, No. 00, pp. 1–27.

EBAA (European Business Aviation Association) (2020), *Aviation round table report on the recovery of European aviation*.

ECA, ACP and ETF (European Transport Workers' Federation) (2018), *A social agenda for European aviation*, Brussels.

ECA (European Cockpit Association) (2020), *Wizz Air's new reality*, web page, available at <https://www.eurocockpit.be/news/wizz-air-new-reality>, accessed 31 August 2022.

ETF (2020), *Wizz Air dismisses four trade unionists in latest union-busting endeavour*, web page, available at <https://www.etf-europe.org/wizz-air-dismisses-four-trade-unionists-in-latest-union-busting-endeavour/>, accessed 31 August 2022.

ETF, ECA, A4D (Airlines for Dialogue), ACP, ERA (European Regions Airline Association), AIRE (Airlines International Representation in Europe) et al (2020), *Joint appeal from civil aviation social partners on 'unruly passengers' to EU Member States*, Brussels.

Eurofound (2005), *Industrial relations in the airline sector*, available at <https://www.eurofound.europa.eu/publications/report/2005/industrial-relations-in-the-airline-sector>, accessed 7 March 2022.

Eurofound (2010), *Representativeness of the European social partner organisations: Civil aviation*, Dublin.

Eurofound (2011), *From national to sectoral industrial relations: Developments in sectoral industrial relations in the EU*, Publications Office of the European Union, Luxembourg.

Eurofound (2017), *Sixth European Working Conditions Survey – 2017 update*, Publications Office of the European Union, Luxembourg.

Eurofound (2018), *Measuring varieties of industrial relations in Europe: A quantitative analysis*, Publications Office of the European Union, Luxembourg.

Eurofound (2019), *Working conditions and workers' health*, Publications Office of the European Union, Luxembourg.

Eurofound (2021), *Involvement of social partners in policymaking during the COVID-19 outbreak*, Publications Office of the European Union, Luxembourg.

Eurofound (forthcoming), *Representativeness of the European social partner organisations: Civil aviation sector (ground staff, ATC + mobile workers)*.

European Commission (2015), *Study on employment and working conditions in air transport and airports*, Brussels.

European Commission (2019), *Study on employment and working conditions of aircrews in the EU internal aviation market*, Brussels.

European Commission (2021a), *Employment and social developments in Europe – Towards a strong social Europe in the aftermath of the COVID-19 crisis: Reducing disparities and addressing distributional impacts*, Publications Office of the European Union, Luxembourg.

European Commission (2021b), *Report on strengthening EU social dialogue*, Brussels.

Eurostat (2020a), 'Impact of COVID-19 on air passenger transport in Q2 2020', news article, 15 October.

Eurostat (2020b), 'Commercial air transport: A long haul to recovery?' news article, 4 December.

- Fila, G. V. (2021), *Relationships for air crews – How does the job affect the work–life balance?* Master’s thesis, Modul University Vienna, Vienna.
- Harvey, G. and Turnbull, P. (2020), ‘Ricardo flies Ryanair: Strategic human resource management and competitive advantage in a single European aviation market’, *Human Resource Management Journal*, Vol. 30, No. 4, pp. 553–565, doi:10.1111/1748-8583.12315.
- Harvey, G., Turnbull, P. and Wintersberger, D. (2021), ‘Has labour paid for the liberalisation of European civil aviation?’, *Journal of Air Transport Management*, Vol. 90, pp. 1–5.
- Hutter, H. P., Heger, F., Lemmerer, K., Moshhammer, H., Poteser, M. and Wallner, P. (2021), *Gesundheitliche Belastungen des fliegenden Personals: Endbericht*, Arbeiterkammer Wien, Vienna.
- ILO (International Labour Organization) (2013), *Civil aviation and its changing world of work: Issues paper for discussion at the Global Dialogue Forum on the Effects of the Global Economic Crisis on the Civil Aviation Industry*, Geneva.
- ILO (2020), *COVID-19 and civil aviation*, ILO sectoral brief, Geneva.
- Jorens, Y., Gillis, D., Valcke, L. and De Coninck, J. (2015), *Atypical forms of employment in the aviation sector*, European Social Dialogue Committee, European Commission.
- Juul, M. (2016), *Employment and working conditions in EU civil aviation*, briefing, European Parliamentary Research Service.
- Malighetti, P., Paleari, S. and Redondi, R. (2016), ‘Base abandonments by low-cost carriers’, *Journal of Air Transport Management*, Vol. 55, pp. 234–244.
- Melin M., Lager E. and Lindfors, P. (2018), ‘High-flying risks: Variations in working conditions, health, and safety behaviours among commercial airline pilots in relation to safety climate’, *Arbete och Hälsa*, Vol. 52, No. 2.
- OECD (Organisation for Economic Co-operation and Development) (2020), *Social partnership in the times of the COVID-19 pandemic*, OECD Publishing, Paris.
- Seligson, D. (2019), *Women and aviation: Quality jobs, attraction, and retention*, ILO Working Paper No. 331, ILO, Geneva.
- Visser, J. (2009), ‘The quality of industrial relations and the Lisbon Strategy’, in European Commission (ed.), *Industrial relations in Europe 2008*, Publications Office of the European Union, Luxembourg, pp. 45–72.

Annexes

Annex 1: Glossary of terms

Air traffic management

Air traffic management is the central task of air traffic control. Its aim is to organise air traffic in the allocated airspace safely, smoothly and economically. This ensures the safe and efficient movement of aircraft during all phases of their operations.

Air traffic safety electronics personnel

Air traffic safety electronics personnel is an international term for the technical staff involved in the creation and support of the ground-based electronic hardware and software systems used to support air navigation and air traffic management.

Low-cost airline

A low-cost airline, also called a budget airline, is an airline that transports people by plane and is cheaper than national flag carriers. The price difference is because, in a low-fare flight, services such as food and beverages are not included in the fare but are paid for on board. Low-cost airlines usually use uniform aircraft types; sell tickets at very cheap prices, which often can only be ordered online; usually have only the legally required minimum number of crew on board, to save on personnel costs; often have only one on-board class; and often serve smaller airports. These providers mainly operate short-haul flights.

National flag carrier

Until a few years ago, most – often loss-making – airlines were operated by the state or at least promoted by the state as an object of prestige. These airlines are known as national flag carriers because they are regarded as representing a particular country. Thanks to the availability of public funds, state flag carriers are not necessarily subject to the normal pressures of the market; negative operational results have often been compensated for by generous grants from their governments.

Support to Mitigate Unemployment Risks in an Emergency programme

Support to Mitigate Unemployment Risks in an Emergency (SURE), an instrument that provides temporary support to mitigate unemployment risks in an emergency, is open to Member States that need to mobilise significant amounts of money to lessen the negative impacts of the COVID-19 pandemic on the economy and society. SURE can provide EU loans of up to €100 billion to affected Member States to counteract a sudden increase in public spending in the wake of large-scale job retention. SURE is an important element of the EU's comprehensive strategy to protect citizens and mitigate the severe socioeconomic consequences of the COVID-19 pandemic.

Annex 2: Questionnaire for data collection

Questionnaire for the report on social dialogue and collective bargaining in the civil aviation sector during the COVID-19 pandemic

1. What was the role of social dialogue and/or collective bargaining in the changes that have been introduced in your country to tackle the challenges faced by civil aviation as a result of the pandemic?

1.1. Please provide up to three relevant examples of formal or informal social dialogue practices in the civil aviation sector in your country since the onset of the pandemic (March 2020). For each example, make sure to include the elements listed in the table below. Repeat the table for each example.

Indicative length: 1,000 words.

Note: the examples provided can cover a) social partners' involvement or consultation on relevant national legislation/measures impacting the sector or b) agreements/measures resulting from collective bargaining or social dialogue. In case the social partners did not participate directly in changes implemented in the sector through legislation or other public measures, please report, if possible, on their reactions and views about such changes.

Example designation	Answer
<p>Type of social dialogue practice Specify whether these were formal or informal negotiations/collective bargaining agreements/policies or measures stemming from social dialogue processes/any other relevant initiatives</p>	
<p>Describe the involvement of social partners and specify the setting of the consultation and/or negotiation processes Explain if these were regular rounds of negotiation/consultation/an extraordinary initiative; a bipartite/tripartite initiative</p>	
<p>Indicate the main issues or challenges being addressed with this initiative Consider the following areas: employment, pay, workload, work intensity, health and safety (including protective equipment), working time duration and organisation, etc.</p>	
<p>Type of issues/challenges Please indicate if the agreed solutions tackle ongoing (existing before the pandemic) or emerging issues (created or made visible during the pandemic)</p>	
<p>Social partners' positions If possible, please describe the points of views brought to the table by the social partners</p>	

1.2. Please assess, from your own expert perspective, the overall role of social dialogue in tackling the challenges determined by the pandemic in the civil aviation sector.

Indicative length: 500 words.

2. What kind of changes have been implemented and what are the outcomes?

For each of the initiatives provided in the answer to question 1, please describe the changes introduced according to the elements indicated in the table below. Repeat the table for each initiative.

Indicative total length: 1,000 words.

Example designation	Answer
<p>Please describe the concrete change(s) introduced and areas affected: pay, health and safety, working time duration and organisation, volume of demand and/or operations, levels of employment, training, etc.</p>	
<p>Are the changes temporary (please indicate validity period) or permanent? Is the solution found a short-term or immediate fix, or does it have a long-term perspective (i.e. looking into the future of the sector)?</p>	

Example designation	Answer
<p>(Expected) outcomes</p> <p><i>What are the (expected) outcomes of these changes for the workers, the organisations they work for and the quality of services in civil aviation in the post-pandemic future in your country?</i></p>	
<p>Groups of workers affected</p> <p><i>Please explain how these changes may affect different groups of workers in the sector: aircrew staff (pilots and cabin crew), ground staff (staff working at ticket desks, check-in and boarding, as well as in baggage handling, aircraft maintenance, airport security and other ground activities).</i></p>	

3. Have social dialogue and/or collective bargaining in the civil aviation sector changed as a result of the challenges caused by the COVID-19 pandemic in your country?

*Please describe **to what extent and how** have the social dialogue and collective bargaining practices changed in **the civil aviation sector**, indicating, for example, if the relationship between social partners (and public authorities) has improved or deteriorated during the pandemic, if the intensity or frequency of interactions (formal or informal) between social partners has increased/decreased, etc.*

Indicative length: 500 words.

References

Annex 3: Network of Eurofound Correspondents

Country	National Correspondent	Organisation
Austria	Georg Adam	Forschungs- und Beratungsstelle Arbeitswelt (FORBA)
Belgium	Dries Van Herreweghe	Research Institute for Work and Society (HIVA), KU Leuven
Bulgaria	Ivaylo Dinev	Institute for Social and Trade Union Research (ISTUR)
Croatia	Predrag Bejaković and Irena Klemenčić	Institute of Public Finance (IPF)
Cyprus	Loucas Antoniou	Cyprus Labour Institute (INEK-PEO)
Czechia	Aleš Kroupa	Research Institute for Labour and Social Affairs (RILSA)
Denmark	Mikkel Krogh	Employment Relations Research Centre (FAOS), University of Copenhagen
Estonia	Ingel Kadarik	Praxis Centre for Policy Studies
Finland	Amanda Kinnunen	Oxford Research AB
France	Frédéric Turlan	IR Share
Germany	Axel Hauser-Ditz and Marc Breitenbroich	Institute of Economic and Social Research (WSI), Hans Böckler Foundation, German Economic Institute
Greece	Elena Kousta	Labour Institute of the General Confederation of Greek Workers (GSEE)
Hungary	Szilvia Borbély and Nóra Krokovay	Kopint-Tárki Institute for Economic Research
Ireland	Martin Frawley	IRN Publishing
Italy	Lisa Dorigatti	Department of Social and Political Sciences, University of Milan
Latvia	Raita Karnīte	Economic Prognosis Centre (EPC) Ltd
Lithuania	Ramunė Guobaitė and Inga Blažienė	Lithuanian Social Research Centre
Luxembourg	Franz Clément and Nicaise Misangumukini	Luxembourg Institute of Socio-Economic Research (LISER)
Malta	Luke Fiorini	University of Malta
Netherlands	Thomas de Winter	Panteia BV
Norway	Kristin Alsos	Fafo Institute for Labour and Social Research
Poland	Marta Trawinska	Institute of Public Affairs (ISP) Foundation
Portugal	Maria da Paz Campos Lima	Centre for the Study of Socioeconomic Change and the Territory (Dinâmia'cet-IUL)
Romania	Cristina Boboc, Valentina Vasile and Alexandra Deliu	European Institute of Romania (IER), Euractiv
Slovakia	Ludovit Cziria	Institute for Labour and Family Research (ILFR)
Slovenia	Aleksandra Kanjuo Mrčela	Faculty of Social Sciences, University of Ljubljana
Spain	Joan Rodríguez Soler	Institute for Labour Studies (IET), Autonomous University of Barcelona
Sweden	Amanda Kinnunen	Oxford Research AB

Getting in touch with the EU

In person

All over the European Union there are hundreds of Europe Direct information centres. You can find the address of the centre nearest you at: https://european-union.europa.eu/contact-eu_en

On the phone or by email

Europe Direct is a service that answers your questions about the European Union. You can contact this service:

- by freephone: 00 800 6 7 8 9 10 11 (certain operators may charge for these calls)
- at the following standard number: +32 22999696
- by email via: https://european-union.europa.eu/contact-eu_en

Finding information about the EU

Online

Information about the European Union in all the official languages of the EU is available on the Europa website at: <https://europa.eu>

EU publications

You can download or order free and priced EU publications at: <https://op.europa.eu/publications>

Multiple copies of free publications may be obtained by contacting Europe Direct or your local information centre (see https://european-union.europa.eu/contact-eu_en).

EU law and related documents

For access to legal information from the EU, including all EU law since 1952 in all the official language versions, go to EUR-Lex at: <http://eur-lex.europa.eu>

Open data from the EU

The EU Open Data Portal (<http://data.europa.eu/euodp>) provides access to datasets from the EU. Data can be downloaded and reused for free, both for commercial and non-commercial purposes.

This report analyses the role of social dialogue and collective bargaining in addressing the challenges faced by the civil aviation sector during the COVID-19 pandemic. Social partner involvement in the measures introduced to mitigate the negative impacts of the pandemic varies across European countries. Social dialogue and collective bargaining played a prominent role in most countries, while in others they had a more limited role. The report also explores changes made to existing social dialogue and/or collective bargaining processes at national level. Although no substantial changes were identified in terms of social dialogue institutions and standard procedures, the study has shown that social dialogue dealt with issues beyond traditional employment and working conditions. Social partners were increasingly involved with emerging issues resulting from COVID-19, such as employment retention, including short-time work schemes, redundancies and maintaining the liquidity and solvency of companies.

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.

