

Record profits for airlines; airport workers under pressure

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A I R P O R T S
U N I T E D

Executive summary

The global airline industry is in excellent financial health. Record profits of \$36.3 billion are expected in 2016, and passenger growth is robust at 6.9%. Despite their strong financial performance, airlines have created a race to the bottom that is placing airport workers - and airport safety and service quality - under immense pressure.

Airport workers¹ now face a working environment marked by stress, irregular working patterns and wage levels that are often insufficient to meet their basic living costs.

Airport staff numbers have been repeatedly reduced, leading to an intensification of work. For example, at Hamburg Airport in Germany, there were 531 workers per million passengers in 2006; by 2011 this figure had been reduced to 466 workers per million passengers.

Workers have also faced a steady decline in wages. A new normal has emerged in which airlines have subcontracted airport work to new subsidiaries or agencies with markedly inferior terms and conditions. In Australia, Qantas fired 5000 workers and replaced them with 9000 part-time workers employed through its subsidiaries. In the US, wages for airport workers fell by 19% in real terms between 1991 and 2001. As a result, workers are often unable to afford basic necessities, even health insurance.

The rapid decline in the quality of jobs has led to high turnover, with potentially adverse consequences for the safety and security of airports. In 2014, a memo written by airport staff at SeaTac Airport in the US expressed concern about the large number of inexperienced staff whose rate of safety and security violation was nearly twice that of more experienced colleagues. In Australia there has also been concern over how high turnover leads to a disproportionate number of workers on temporary security badges and without proper training.

Well-trained airport workers are vital to passenger safety and wellbeing. They are the first to respond in an emergency, they provide vital assistance in bringing passengers to safe areas of the airport, and are critical to making sure that the most vulnerable, including elderly and disabled passengers, are always looked after.

The decline in standards is easily preventable. Cost cutting is driving this race to the bottom, but airlines have the power to stop it and put in place a sustainable employment model, one that is capable of retaining a skilled and experienced workforce. It is time for airlines to redress this serious problem at the heart of the global aviation industry.

¹ Passenger services (often referred to in the industry as ground handling) are broadly comprised of all the services aircraft and passengers require between landing and take-off. They include: security, wheelchair assistance, fuelling, cargo and baggage handling, cabin cleaning and passenger check-in.

Section A: Overview of the industry value chain

Distribution of revenue and profit among the key players
 Airport worker labour costs as a proportion of the total
 Historic and current profits of major airlines and airports
 Other relevant facts that illustrate industry finances.

Distribution of revenue and profit among the key players

The aviation industry is booming, profits have literally taken off for airlines in recent years and airports too have posted rising revenues and increasing profits². World airlines have seen their profits quadruple in the last five years. They posted a collective record net profit of USD33 billion for 2015 and are forecast to post USD36.3 billion in 2016, according to IATA³.

Year	Total profit (USD billion)
2011	8.3
2012	9.2
2013	10.7
2014	17.3
2015	33.0 (projected)
2016	36.3 (projected)

Source: IATA, Economic performance of the airline industry, 2015.

Global airport revenues stood at USD131 billion in 2013, growing 5.5 percent on the previous year, with passengers directly contributing around USD49 billion to airport income⁴. The world's major airports have gained most from rising revenues, with some boasting hundreds of millions of dollars in profits in 2015.

Air travel is accelerating and growth of 6.9 percent is expected in 2016, the best year since 2010 and well above the trend of 5.5 percent for the last 20 years⁵. The industry has benefited from a 5.5 percent average annual increase in passenger numbers since 2004, as well as, more recently, a significant drop in fuel prices (20.5 percent between 2014 and 2015), which accounts for the largest share in costs for airlines⁶.

² All financial data from Factiva unless otherwise stated.

³ Air Transport World, IATA forecasts record 2015, 2016 airline profits, but cautions on regional disparity, [website], <http://atwonline.com/airlines/iata-forecasts-record-2015-2016-airline-profits-cautions-regional-disparity> (accessed 10 May 2016).

⁴ Airports Council International, ACI releases the 19th edition of the Airport Economics Report /Paradox: Overall industry is in the black yet most airports lose money, [website], 2015, <http://www.aci.aero/News/Releases/Most-Recent/2015/06/03/ACI-Releases-the-19th-edition-of-the-Airport-Economics-Report--Paradox-Overall-industry-is-in-the-black-yet-most-airports-lose-money> (accessed 10 May 2016).

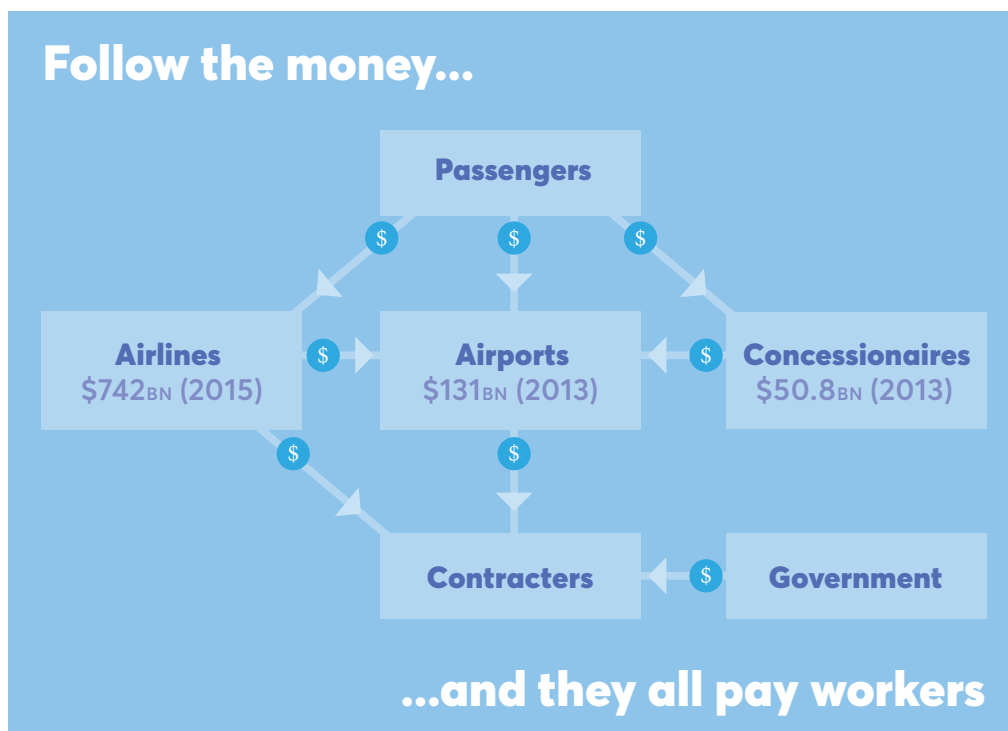
⁵ IATA, Economic performance of the airline industry, 2015.

⁶ IATA, op. cit.

As can be seen from the graph below, airlines benefit from over 80 percent of passenger spend on air travel, which is expected to reach almost USD750 billion in 2016.

Year	Passengers (x 1,000,000)
2004	1,975
2005	2,135
2006	2,254
2007	2,452
2008	2,489
2009	2,479
2010	2,681
2011	2,858
2012	2,989
2013	3,143
2014	3,327
2015	3,545 (estimated)
2016	3,782 (estimated)

Source: IATA, Economic performance of the airline industry, 2015.



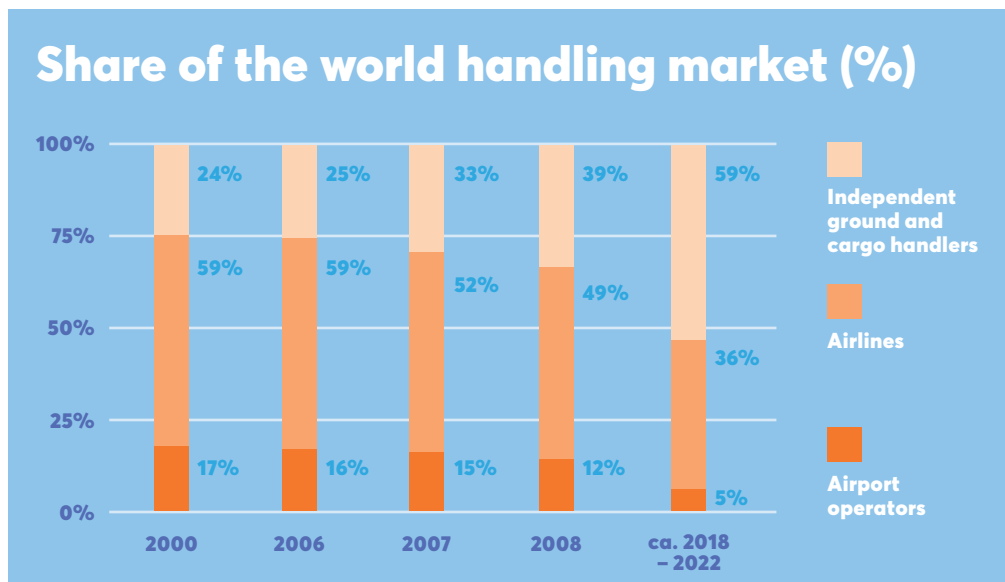
Source: IATA, Economic performance of the airline industry, 2015, and Airports Council International, 19th edition of airport economics report.

Airport worker labour costs as a proportion of the total

While the aviation industry is flourishing, the quality of work of those employed in the world's airports has been deteriorating. Airline and airport jobs were once regarded as decent, secure and relatively well-paid. In recent years, there have been dramatic increases in the privatisation of airports and subcontracting of in-house airline services, which have eroded working conditions across the board. Despite rising passenger numbers, airlines' labour costs fell by 5.5 percent between 2014 and 2015.

The subcontracting of ground handling is a key growth area in the industry, worth USD50 billion worldwide and employing 60,000 people in Europe alone. Ground handling covers a wide variety of airline services delivered at airports to support the operation of air services. It includes highly technical services such as maintenance, fuel and oil services and freight handling, as well as services that are essential to passengers' safety and comfort, such as check-in, catering, baggage handling and surface transport at the airport⁷.

The share of independent ground handling companies of the world handling market is growing and is expected to reach almost 60 percent by 2022⁸. With labour accounting for up to 80 percent of costs in airport ground handling and security services, it is the workforce that has borne the brunt of intense cost-cutting as airlines and airports contract out these services⁹. Research indicates that these jobs are now increasingly characterised by low pay, insecure and irregular hours, high staff turnover, a lack of adequate training and inadequate staffing levels.



Source: John Menzies Plc/BCG

⁷ European Commission, MEPs to vote on "Better Airports" package, [website], 2012, http://europa.eu/rapid/press-release_MEMO-12-947_en.htm, (accessed 10 May 2016).

⁸ John Menzies Plc, Interim results presentation, [website], 2014, <http://www.johnmenziesplc.com/Data/Sites/1/Downloads/78/Menzies-Interim-Presentation-FINAL-19-08-14.pdf>, (accessed 10 May 2016).

⁹ European Commission, op. cit.

In Germany, subcontracted ground handlers are paid 30 percent less than those in equivalent in-house jobs¹⁰. Research from the US shows that over the last two decades, wage levels have decreased by 14 percent in real terms¹¹ across all airport jobs – in some jobs wages have almost halved in real terms. Workers are increasingly unable to meet their basic living costs due to irregular and insecure working hours and few full-time jobs. The replacement of decent jobs with inferior, insecure outsourced jobs is happening on an industrial scale. Qantas, for example, recently laid off 5000 workers and replaced them with 9000 part-time employed people through its new subsidiaries QGS and Aerocare. QGS has no full-time employees and staff are only guaranteed a 20-hour week¹².

Poor working conditions and low pay have increased staff turnover, which has led to a less experienced and less productive workforce. Inadequate staffing levels have also been reported and a study of over 800,000 civil aviation workers found that over 79 percent of ground workers felt they were expected to perform excessive amounts of work¹³. Adequate training for new staff has also been sacrificed to minimise costs.

This intense competition among providers and the drive to keep costs down also affects the passenger experience, and ultimately, airport safety and security. Less experienced, poorly trained and over-worked staff are less likely to be able to provide a smooth passenger service or remain vigilant for security threats.

Historic and current profits of major airlines and airports

The strongest performance by region is shown by airlines in North America. Net post-tax profits here will reach USD19.2 billion in 2016, representing a net profit of USD21.44 per passenger, and a marked improvement compared to USD13.30 per passenger in 2014¹⁴. American Airlines posted revenues of USD41 billion and USD7.6 billion in net profit in 2015.

Europe has also shown solid growth, with net profits expected to rise to USD8.5 billion in 2016, representing profits of USD8.80 per passenger (USD3.28 in 2014)¹⁵. Lufthansa posted revenues of EUR32 billion (USD36 billion) and EUR1.6 billion (USD1.8 billion) net profit in 2015 – a staggering 2987 percent increase in profits from 2014.

Airlines in Asia-Pacific have also seen their profits rise, from USD2.1 billion in 2014, to an estimated USD6.6bn in 2016¹⁶.

The revenues and profits of major airports around the world have also soared. In the Netherlands, the Schiphol Group's 2015 revenues were EUR1.4 billion (USD1.6 billion); its profits increased by 37 percent to EUR374 million (USD426 million) in 2015. Munich Airport achieved outstanding financial results in 2015 – EUR1.25 billion (USD1.42 billion) in revenue. Based on preliminary figures, the FMG Group achieved total profit after taxes of EUR135 million (USD154 million). Sydney Airport reported revenues of AUD1.6 billion (USD1.17 billion) in 2015 making a net profit of AUD133.9 million (USD98 million) in the six months up to June 2015¹⁷.

¹⁰ Ver.di, Results of a nationwide survey in ground handling, [website] 2015, <https://www.verdi-airport.de/187> (in German only), (accessed 10 May 2016).

¹¹ M. Dietz, P. Hall, and K. Jacobs, Course correction reversing wage erosion to restore good jobs at American airports, University of California, Berkeley, 2013.

¹² Transport Workers' Union of Australia, The Qantas effect: the changing nature of aviation employment, 2015.

¹³ International Transport Workers' Federation, Stressed and fatigued on the ground and in the sky, London, UK, 2009.

^{14, 15, 16} IATA, op. cit.

¹⁷ CAPA Centre for Aviation, Airport financial results 1H2015 – primary airports, hubs, alliances, retail, sustain profitability, [website], 2015, <http://centreforaviation.com/analysis/airport-financial-results-1h2015--primary-airports-hubs-alliances-retail-sustain-profitability-240555>, (accessed 10 May 2016).

Selected major airlines performance

Airline	Revenues (2015)	Profits (2015)
Lufthansa	EUR32bn (USD36bn)	EUR1.6bn (USD1.8bn)
AF-KLM	EUR26bn (USD30bn)	EUR115m (USD131m)
SAS	SEK39bn (USD4.8bn)	SEK956m (USD117m)
Qantas	AUD15.8bn (USD11.6bn)	AUD975m (USD716m)
IAG (British Airways and Iberia parent)	EUR16.5bn (USD18.8bn)	EUR1.5bn (USD1.7bn)
Delta Airlines	USD40bn	USD4.5bn
American Airlines	USD41bn	USD7.6bn
United Continental (Holdings)	USD37.8bn	USD7.3bn
Southwest	USD19.8bn	USD2.1bn
Alaska Air Group	USD5.5bn	USD848m

Selected major airports performance

Airport	Revenues (2015)	Profits (2015)
Fraport (operating Frankfurt airport)	EUR2.6bn (USD3bn)	EUR276m (USD314m)
Munich	EUR1.25bn (USD1.4bn)	EUR135m (USD154m) (FMG group)
Schiphol group	EUR1.4bn (USD1.6bn)	EUR374m (USD426m) (up 37% from 2014)
Sydney Airport	AUD1.6bn (USD1.17bn)	AUD133.9 (USD98m) in the six months up to June 2015.
Heathrow Airport	GBP2.6bn (USD3.8bn) (2014)	GBP211m (USD304m) (2014)

Other relevant facts that illustrate industry finances

The aviation industry has undergone significant change since it was deregulated in the late 1970s. Over time, the private sector has played an increasingly important role in service provision and investment. Airports, which were once mainly considered public utilities, have become profit centres in their own right, mostly run like private businesses or in a commercial way. Over the last decade, passenger spending in airports has become a very important source of income, contributing significantly to the industry's overall revenues¹⁸.

In the last few years, the industry has benefited from good economic growth, lower oil prices, more routes and increasing passenger numbers and in 2016, passengers are expected to spend 1 percent of global gross domestic product on air travel¹⁹.

Section B:

Work intensification

Falling wages

Flexible hours

A lack of training or airport safety and security

Work intensification

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I've worked for Qantas Airways here at Perth airport for 15 years, and before that with Ansett Airlines for 10 years (until they went bust).

When I started here all work was full time and we were employed by Qantas, the jobs were good. When you got a job with Qantas you had a job for life and you only left if you died or retired. It was a great job, you worked hard and long hours but it was secure and you could raise a family on one income.

Our employer has brought in contractors and removed penalty rates and shifts that allowed us to earn extra money that made our job liveable.

As well as the conditions and pay, the job itself has changed. We've gone from seven-man teams to four-man teams, but the same amount or even more work to be done.

Shane Dearie, ramp worker, Qantas Airways, Perth Airport, Australia

¹⁸ D. Gillen, 'The evolution of airport ownership and governance', *Journal of Air Transport Management*, vol. 17, 2011, pp. 3-13.

¹⁹ IATA, op. cit.

Subcontracting creates intense competition among companies to win airline and airport contracts. This in turn creates constant pressure on these service companies to cut their costs. In practice, they rely on cutting labour costs to win contracts - a significant part of this is achieved by cutting the number of workers doing the same work. Fewer workers doing the same work means airport workers have to work much harder for less pay.

As the industry has cut employment and subcontracted more work, there are fewer workers per passenger at airports than there once were. This has had a direct impact on workers' health and airport safety procedures.

At Hamburg Airport, for example, there were 531 workers per million passengers in 2006. By 2011 this figure had dropped to 466 workers per million passengers²⁰. Over the last eight years, Hamburg Airport services' employment growth (20 percent) has lagged behind passenger growth (29 percent) and growth in airport sales (25 percent) and, most of the employment gains in ground handling and security services have been predominantly in part-time work²¹. In the US the total number of airport workers (airline and subcontracted) fell 19 percent between 2001 and 2011 at the same time as passenger numbers rose steadily²².

Two key issues surfaced in a recent survey of German airport workers:

- Ramp, security and check-in workers reported high levels of physical and mental stress connected to work intensification - 70 percent of ramp workers reported frequent back problems connected with loading and unloading aircraft.
- Seventy-two percent of workers reported that health and safety guidelines were impossible to comply with given the work-time pressure they continually faced²³.

An ITF survey of unions representing 800,000 civil aviation workers across 116 countries in 2009 revealed that 58 percent of ground service workers were concerned about cuts in staffing levels and 62 percent complained of unmanageable workloads. The report also found that reported overall work stress, measured by the imbalance between work and rewards and by fatigue and burnout, was greatest among ground staff²⁴.

Due to their interactions with passengers, ground staff members of airline companies are also considered frontline employees and play a salient role in service delivery and complaint-handling processes. Their work requires them to manage passenger crowding, which can lead to high levels of stress and mental exhaustion, particularly when dealing with passengers who may behave aggressively towards them. Studies have shown that high levels of emotional exhaustion in 'emotional work' can result in 'poor performance, turnover intentions and absenteeism'²⁵.

²⁰ Wilke, Maack und Partner, An analysis of employment, remuneration and working conditions at Hamburg Airport, [website], 2015, <http://www.boeckler.de/pdf/fof/S-2014-697-1-1.pdf> (in German only) (accessed 10 May 2016).

²¹ Ibid.

²² M. Dietz, P. Hall, and K. Jacobs, op. cit.

²³ Ver.di, op. cit.

²⁴ International Transport Workers' Federation, op. cit.

²⁵ O.M. Karatepe and H. Choubtarash, 'The effects of perceived crowding, emotional dissonance, and emotional exhaustion on critical job outcomes: A study of ground staff in the airline industry', *Journal of Air Transport Management*, vol. 40, 2014, pp182-183.

Falling wages

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I started working at Reagan National Airport in 1962, helping passengers get themselves and their luggage to their flights. The job is important. We're the first to greet passengers – their first impression of the airport and the airlines. In 1962, I was making USD1.75, which was low – but we earned paid health care and full family benefits. We even had paid sick leave and vacations.

But in the years since, while passengers were flying forward, workers like me were moving backwards. Today, working at the same airport, I make USD3.77 an hour working for Eulen America, with no benefits at all. In those 50 years, just a USD2 raise. The public needs to open their eyes and see that airport workers are suffering. We are taken for granted and that's a shame. I feel degraded. We work for a prosperous company, in a prosperous country, helping prosperous passengers get safely on their way, and this is completely out of whack.

David Tucker, skycap, Eulen America, Ronald Reagan National Airport, US

With labour costs accounting for such a large share of the overall costs of ground services and security in airports, workers have suffered the most when airlines and airports decide to buy in services at the lowest possible price from contractors. Low pay and insufficient hours are increasingly leaving employees struggling to meet their living costs and in many cases, forcing them to rely on government subsidies. Increasing levels of subcontracting have invariably also put downward pressure on wages and working conditions for those still employed in-house, creating a 'race-to-the-bottom' for working standards across the industry. Research from the US demonstrates how workers' wages have deteriorated as subcontracting has increased:

- Between 2002 and 2012, the number of baggage porter jobs that were subcontracted more than tripled - from 25 percent to 84 percent - while average hourly real wages across both directly hired and subcontracted workers declined by 45 percent, from over USD19 an hour to USD10.60 (in 2012 dollars).
- The number of vehicle and equipment cleaning jobs that were subcontracted doubled between 2002 and 2012 - from 40 percent to 84 percent, while wages fell from the equivalent of over USD15 an hour to USD11.40, a drop of 25 percent.
- By 2012, even the highest paid subcontracted workers in these ground-based airport occupations earned less in real terms than the average directly hired worker in the same job a decade ago.
- Average weekly wages in the airport operations industry (excluding air traffic control) did not keep up with inflation, but fell in real terms by 14 percent from 1991 to 2011²⁶.

In German airports, where the ground handling service was liberalised in the early 2000s, new companies started paying their workers 30 percent less than those still working in-house. The pressure on wages led some public companies to decrease their wages as well (in Frankfurt and Munich airports, for example) and to establish subsidiary companies to hire workers and then ‘rent’ them back to public companies for a lower fee (Dusseldorf, Frankfurt, Hamburg, Munich and Nuremberg, for example)²⁷.

Survey data from airport workers in Australia find that over 60 percent of workers feel they are not paid a fair wage²⁸. In Germany, 83 percent of workers in a survey of the ground handling sector identified insecure wages as a major concern²⁹. Insufficient and irregular part-time hours mean many workers find it hard to earn enough to make ends meet. In Australia, 68 percent of aviation workers say their income does not meet their living costs, with more than three quarters saying they do not believe they can retire by the age of 65³⁰. These figures are even higher for employees at Qantas, 80 percent of whom say their income doesn’t meet their living costs and nearly 84 percent of whom don’t believe they can retire by 65.

Poverty wages have a wider societal impact, particularly for communities in and around airports. The study conducted by the University of California, Berkeley found that in 2012 more than one third (37 percent) of cleaning and baggage workers at airports, both directly hired and subcontracted, lived in or near poverty. Low wages and few benefits meant a similar share of these workers and their families was forced to rely on public benefit programs to make ends meet³¹.

In addition, poor wages and insufficient hours result in much higher worker turnover, leaving airports with a less experienced workforce, which can lead to disruptions in passenger services - 70 percent of all flight delays are caused by problems on the ground at airports - and have implications for airport safety and security³². Companies also incur substantial costs when they have to replace staff at short notice³³.

Airlines and airports claim they are not responsible for these wages because the workers are not their employees. Yet, they are ultimately responsible for parcelling up essential airline industry tasks and allocating them to companies that underpay and undervalue the workers who perform them.

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I’ve been working at Schiphol Airport for KLM for 27 years. I’m a team leader on the ramp. I enjoy my work and am proud of providing a service to so many travellers over the years.

I’m really worried about the future. KLM says they want to outsource our jobs; there are 6,000 of us who have been told this. I know the other subcontracted workers at Schiphol, their pay is much less, and many of them have no healthcare or retirement benefits and workers just come and go. I can’t see how the standards we are proud of at KLM, around safety, around loading special goods, will ever be the same if KLM subcontracts good jobs.

Walter van der Vlies, ramp leader, KLM, Schiphol Airport, Netherlands

²⁷ Ver.di, op. cit.

²⁸ Transport Workers’ Union of Australia, op. cit.

²⁹ Ver.di, op. cit.

³⁰ Transport Workers’ Union of Australia, op. cit.

³¹ M. Dietz, P. Hall, and K. Jacobs, op. cit.

³² European Commission, op. cit.

³³ O.M. Karatepe and H. Choubtarash, op. cit., pp. 182-191; p.183.

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I work as a wheelchair attendant for a company called Prospect at Philadelphia International Airport. I make USD8.40 per hour with tips that are not guaranteed, which usually rounds out to little more than the minimum wage.

On most weeks, I average USD400 in take-home pay every two weeks. By the time I pay my bills there's nothing left over. As a mother and grandmother, I focus on my family first. Like most grandparents, I want to spoil my grandchildren but I can barely afford to buy them Christmas presents. Just once, I would like to be able to afford to take my grandchildren to the movies without having to go without paying my electric bill or go without eating lunch.

Many people think that because I work at the airport I make good money. But what people don't understand is that I don't work directly for the airlines, I work for a subcontractor. When you work for a subcontractor it is easy to fall through the cracks.

I am supposed to be making USD12 an hour. My co-workers and I fought for three years to get the city's living wage ordinance applied to subcontracted airport workers. We were successful and this July 1, thousands of airport workers got a raise to USD12. Unfortunately, I was not one of them. My employer, Prospect says because we're tipped employees we don't get the USD12 an hour. There is nothing in the ordinance that says anything about tipped workers being exempt.

We are forced to report USD28 a day. If we don't, we will be fired. My supervisor came to us and said: report USD28 a day or you will be fired. What if we don't make it? They said "Report it anyway." A lot of the time I make nowhere near USD28 a day in tips. In fact, a lot of people don't even know to tip.

Onetha McKnight, wheelchair attendant, Prospect, Philadelphia Airport, US

Insecure, unsustainable working patterns

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I work two jobs at the Fort Lauderdale Airport and I still can't afford to get a decent one-bedroom apartment to share with my daughter. My health insurance is very expensive and I don't get any paid sick days.

For years I earned just a little over USD5 an hour plus tips and USD8.05 an hour as a cabin cleaner.

My pay is going up this year because we finally won a living wage increase in Broward County after years of protesting, rallies and strikes. Many of us will be making at least USD11.68 an hour.

But the truth is, many of these companies only offer part-time hours, few benefits, and unaffordable health insurance. And with the high cost of living in South Florida, we are still just a pay check or health bill away from poverty.

Sandra Smith, wheelchair attendant and cabin cleaner, Fort Lauderdale-Hollywood Airport, US

Subcontracting has led to increasingly insecure and insufficient working hours and a huge rise in part-time work. Airport workers report that flexibility works only for the employer. Employers use pools of workers with no guaranteed hours to ensure that labour costs are kept to a minimum.

Workers report in survey findings that they would highly value more secure hours, permanency at work and more hours than they are currently given. A recent survey of the Australian aviation industry showed how it was becoming dominated by part-time work, with 42 percent of employees in non-full-time roles. Qantas Airways has around 18 percent part-time staff, while its new subsidiary QGS (set up five years ago) has 100 percent non-full-time roles. In-house airline workers in Australia work an average of 38 hours per week (Qantas) but in the subcontracted Qantas subsidiaries (QGS) this drops to just 27 hours per week. Yet, the workers surveyed overwhelmingly stressed the desire for full-time work - almost 65 percent considered it to be 'very important' and almost 85 percent thought greater job security was 'very important'³⁴.

A survey of workers at Hamburg Airport showed how the majority of new jobs created in recent years had been part-time roles. New recruits at airport subsidiary GroundStars are mostly employed on so-called flex-work contracts in which only a minimum number of hours is guaranteed (usually 40 per month); workers are then on-call the rest of the time. This creates not just insecurity over earnings, but also difficulties planning a life outside work because of the unpredictability of working shifts. While the ratio of full-time to part-time jobs at the airport stands at 70/30, part-time work in retail and banking, ground handling, travel agents and tour operators and security services, is well above average at more than 50 percent³⁵.

³⁴ Transport Workers' Union of Australia, op. cit.

³⁵ Wilke, Maack und Partner, op. cit.

Precarious work has been shown to have a negative effect on health and safety. Research shows that precarious workers are more likely to be in roles that require strenuous or repetitive work and exposure to intense noise. They also often have less flexibility regarding when they take leave and are not regularly involved in occupational health and safety committees. As a result, the number of injuries and health problems they suffer tends to be higher. Material and social deprivation may also lead to precarious workers experiencing negative health effects³⁶.

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I worked on construction sites before and I always have been perfectly healthy. After two years working in the ground handling sector at the airport I twice had a slipped disc, once a rupture of a muscle fibre and a rupture of the meniscus.

Many colleagues with limited contracts work although they have health problems. They go to work although they risk long-term health problems. Slipped disks, hernia and joint pain are a part of our daily life. But they go to work anyway because they are afraid to lose their jobs. When their contracts get unlimited it is often too late and the health damage is already too huge that working without pain or problems is impossible. This leads to a high fluctuation of workers and a high number of missing days because of health problems.

Francesco Ognissanto, aircraft handler, Airport Personal Service, Frankfurt Airport, Germany

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I work in the cold food department, packing food for airlines such as Air France, Air Tahiti, Thai Airways and the majority of other airlines that have contracts with Flying Food.

I work inside of a cooler. To keep the food at a safe temperature, the air inside the cooler can be as cold as 28 degrees Fahrenheit (-2 degrees Celsius). It's so cold that it's like working inside of a refrigerator for eight or more hours every day. For each of those cold hours, I make only USD10.

It's uncomfortable to be cold all the time, but working in the coolers also has a negative effect on our health. We all have problems with our joints and circulation. I'm only 25, but I already have arthritis and my doctor told me that it's because I work in such cold temperatures all the time. On top of all this, Flying Food hasn't given us the jackets or pants that we need to avoid being so cold, even though they say that they will.

Morena Henriques, cold room worker, Flying Food Group, Los Angeles International Airport, US

³⁶ J. Benach and C. Muntaner, 'Precarious employment and health: developing a research agenda', *Journal of Epidemiology Community Health* vol. 61, 2007, pp276-277.

Airport safety and security

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There are often no breaks between ramp services of several aircrafts. So you have no chance to eat or drink something in between and you get hypoglycaemic really fast. In summer you sometimes have to beg to go for something to drink after you operated a couple of aircrafts.

Because there are no fixed teams, a fair division of workers is difficult and thus leads often to more physical stress for some workers. The rotation of workers simply doesn't work properly.

We often operate aircrafts with just two workers. For example, we dispatched a Boeing 757 just with two workers.

Security and safety regulations cannot be followed. For example, I have been operating an aircraft where I should bring the gangway to the aircraft. But the gangway was broken. I reported it to my ramp agent but he said I should immediately bring the gangway to the aircraft because we just have this one in this position.

Sometimes the transporter for containers doesn't work; that means in addition to baggage handling you also have to push containers manually.

Half of the equipment is worn out. We often have to pull baggage wagons, each is 400 kilos in weight plus baggage. Sometimes we also have to pull the gangways. We have to work on our knees over a long time.

Francesco Ognissanto, aircraft handler, Airport Personal Service, Frankfurt Airport, Germany

Racing to achieve short turnaround times when understaffed means that corners are cut, jeopardising personal and aircraft safety. The industry's bill for damages to aircraft on the ground is approximately USD4 billion annually³⁷.

The symptoms of subcontracting - low pay, work intensification and insecure jobs and working hours - mean a much higher turnover of staff. A recent German survey reports that 71 percent of airport workers think that continual worker turnover is a problem³⁸. Worker turnover at Chicago O'Hare International Airport, the busiest airport in the US, averaged 80 percent in 2014 for a group of 17 subcontractors³⁹.

A 2011 study of precarious work at Sydney airport highlighted the potential security risks associated with high staff turnover. A high turnover of staff in airports means that at any one time there are hundreds of workers with a temporary pass, those who have not yet had background security checks. While this poses a security risk in itself, the risk is increased because more senior staff members are required to monitor the activities of these workers, reducing the amount of time available for exercising vigilance over other potential security threats.

³⁷ CAPA Centre for Aviation, Airport ground handling – industry overview 2014. Part 1: Liberalisation, efficiency and compensation, [website], 2014, <http://centreforaviation.com/analysis/airport-ground-handling--industry-overview-2014-part-1-liberalisation-efficiency--compensation-195301>, (accessed 10 May 2016).

³⁸ Ver.di, op. cit.

³⁹ SEIU press release, 31 March 2015.

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In addition, high turnover leads to a less experienced, less well-trained workforce. Workers may be unfamiliar with health and safety procedures and sub-contractors have been found to be less likely to identify and report health and safety hazards ⁴¹.

In June 2014, a memo written by airport staff at the Seattle Tacoma International Airport linked low wages paid by passenger service contractors to high turnover, as high as 80% annually in some companies operating at the airport ⁴². The memo found that turnover had a direct link to problems with safety and security and noted that newer workers are almost twice as likely to be cited for security violations as more experienced workers ⁴³. The memo read, in part:

“Port staff concludes that higher wages and increased training opportunities will reduce turnover and improve employee satisfaction in critical functions at the airport ... Port staff further concludes that reduced turnover and increased employee satisfaction will result in an employee base with more experience that, when substantially reinforced with training, will in turn lead to safer and more secure airport operations.” ⁴⁴

Furthermore, a large subcontracted workforce, managed by several employers, creates adverse conditions for a unified, coordinated airport response in the event of an emergency. At Los Angeles International Airport (LAX), for example, 8900 airport service workers are employed by 60 contractors. When a gunman entered the airport on 1 November 2013, killing one man and injuring three others, it revealed the inadequacy of the communications system between the airport authorities, the airlines, the contractors, and eventually, workers on the frontline of the emergency. A report looking at safety in the aftermath of the incident says:

“Few airport service workers learned about the shooting from official sources such as their employers (service contractors), airlines or LAWA [Los Angeles World Airports].” ⁴⁵

“Absent pro-active, official communication, coordination - if any had been planned - broke down.” ⁴⁶

⁴⁰ Macquarie University, Investigating the impacts of precarious employment and contracting chains on aviation safety, security and occupational health and safety, 2011.

⁴¹ M. Dietz, P. Hall, and K. Jacobs, op. cit.

⁴² Port of Seattle, Staff Briefing, Minimum requirements for aeronautical workers with safety and security responsibilities at Seattle-Tacoma International Airport, [website], 2014, http://www.portseattle.org/About/Commission/Meetings/2014/2014_07_01_SM_6a_memo_overview.pdf, (accessed 10 May 2016).

⁴³ Port of Seattle, op. cit.

⁴⁴ Port of Seattle, op. cit.

⁴⁵ SEIU, Standing up for passenger safety at LAX, [website], 2014, <http://www.seiu-usww.org/files/2014/03/lax-white-pages-3-4-14.pdf>, (accessed 10 May 2016).

⁴⁶ SEIU, 2014, op. cit.

Airport service workers are often the very first people to respond in an emergency. They help bring passengers to safe areas of the airport, evacuate disabled passengers and take care of those most need. Yet, during the emergency, those workers had not been included in airport emergency response communications and training and were left to improvise, often with faulty equipment and no guidance. As the report goes on to highlight:

“This should not be surprising in a contractor culture where airport workers receive minimal training for their daily job functions.”⁴⁷

Concerns over security and safety in US airports have prompted both the Federal Emergency Management Administration and a 2011 LAX blue ribbon independent panel to advocate a ‘whole community’ approach to disaster preparedness that includes all those operating within the airport environment, not just those with specific security functions. For this to take place, it is vital that airports retain an experienced, well-trained workforce and that airport service workers are included in airport emergency response training.

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Since the early 1990s, screening personnel at Arlanda has been on a contract to various security companies. Every three years there’s been a tender in which workers have been facing the stress of not knowing if they will be employed by the new contractor or not. The security contract in Arlanda is the biggest security contract in Sweden and the big security operators fight hard to win the contract. They fight both on price and promises about better flexibility. Both affect and will be paid for by the workers with lower staffing, higher workloads and worse scheduling. Ten years ago it was mandatory for the screening personnel to have full security guard training (approximately 10 days) plus screening training. But today, although there is a call for higher and better security, screening personnel only get the training they need to do just the screening (five days). Workers are now afraid that further cost cutting will mean the training will become even more diversified and the work will be even more static, an issue that is already is a health and safety problem at the site.

Josephine Dahlby, security, Stockholm Arlanda Airport, Sweden

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The bad pay and conditions also affect safety and the quality of the work; people have second jobs and are tired so make mistakes and the turnover means they are not as experienced or well trained.

They talk about it in a round-about way, but what the company is basically saying is they just want to fly planes at the lowest costs, and don’t want to take any responsibility for what that means for their workforce or for people, let alone safety and security or the future.

Shane Dearie, ramp worker, Qantas Airways, Perth Airport, Australia

⁴⁷ SEIU, 2014, op. cit.

A I R P O R T S
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