

Good Afternoon Ladies and Gentlemen, Martin Chalk, President of the European Cockpit Association which represents more than 38,000 professional pilots from 36 European Countries. In my spare time I am also a Captain flying the Boeing 747 for a large European network airline.

ECA is asking you to consider, in light of the question we all face today, whether we have learned from the past?

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In the next 10 minutes I will seek to look back at the response to the last crisis, examine what we learned and implemented; analyse the reaction to this crisis and conclude with the measures ECA would like to see implemented as soon as possible.

We saw from Fabio's presentation that we have been here before – in fact we have been in crisis in aviation many times before. The last time was particularly painful, following as it did the brutal and tragic attacks on the World Trade centre and the Pentagon in the USA.

Both the Social Partners here in the EU and at the ILO came to tripartite conclusions as to what should be done in response to that acute recession in civil aviation. I believe these are more powerful as consensus conclusions, rather than those which each of us individually pushes from each of our particular perspectives. Let us look at the Social partner conclusions first:

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Aviation is different to other businesses in two very clear ways:

we are an industry on which all others depend to provide vital infrastructure; we are the transport system needed to 'enable' the business done by other industries.

The second is that we are a very safety sensitive industry in a more poignant way than others – when we fail to maintain sufficient levels of safety, many people are at risk in the same moment.

In recognising this, the social partners requested measures to restore confidence and to stimulate demand. In the main the security measures were

implemented – but as opposed to elsewhere, here in Europe they were paid for by the industry itself and there was no equivalent of the 15 billion dollars provided to the US industry.

We have also not subsequently rationalised the security measures into those which were necessary and sensible given the new threats faced versus those which were predominantly for show – to restore public confidence. ECA represents those who are intimate with the security regime – being forced to submit to it many times a day at work, and most of our members believe there are many security rules which we must have the courage to repeal to both improve security and to spend the money they cost more wisely.

All sides of the industry also called for the need to avoid mass redundancies. The industry is populated by specialists who are neither readily available on the employment markets – nor are cheap to train. Firing some of your greatest assets for short term cost saving handicaps the industry's recovery and gives a head start to our competitors. Where redundancies were avoided during the last downturn, it was a product of good industrial relations. Negotiated changes which fulfil the cost requirements of the company whilst minimising the negative impacts on the employee group are impossible to replicate any other way!

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At the ILO, the Tripartite Declaration included a plea for collective bargaining to be available for all workers. The consensus declaration also pointed out the particular need and lack of availability of such arrangements for mobile staff in civil aviation.

In Europe we have been calling for a legal framework for the crucial 'change management tool' which best practice Human Resource Management requires. Good HR is fundamental to a business as dynamic as aviation.

We currently have a real possibility of delivering both good European level people management structures and achieving a separate goal in our negotiations with the USA in Civil aviation – but that is another story – all sides at the ILO recognised that good social dialogue and industrial negotiations are not just desirable in our industry, they are crucial to our success.

I mentioned the cost and rarity of training, earlier. In my profession, quality training is both crucial and expensive. The need to maintain a pool of appropriately qualified pilots ready for the industry to take advantage of the recovery is vital – from all perspectives: the individual, the airlines and therefore for the wider European industrial base.

Both provision for planned ab initio training and support to maintain pilots' licences whilst they are laid off were requested in 2002. These were considered to be fundamental parts of the necessary public interest role in strategic planning by Governmental authorities.

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So how did Europe respond to this crisis? As I emphasised earlier, aviation is a cyclical industry, so this next downturn was entirely predictable!

Mass redundancies are very commonplace at the moment. Look at Olympic, Alitalia; in fact many airlines are currently laying off crucial front line and highly skilled staff – including pilots. This is handing the advantage to our competitors in, for example, the Middle East who are still growing. And there is still no planned framework for maintenance of licences or retraining, either.

Social dialogue is not functioning as it should – and I will not lay all the blame for this at the feet of the employers' organisations – but I would say to them that they cannot expect to effectively marginalise social dialogue for years, and then expect it to be quick and effective at responding to a crisis when it comes!

The EU authorities could be more proactive, too – if you are clear that you are going to legislate to solve a problem and ask for social partner input; it is in their interests to help you. If there is no clarity or transparency of intent, then one or other side will see it as an advantage to block meaningful involvement.

But the greatest failing from the Member States and European institutions is the persistent problem of a lack of an industrial framework to enable good Human resource management. As good Europeans, we cannot be proud of our single market until it supports good people management. I often ask the question – is society here to serve business or is business here to serve society? This society is crying out for good management of the employees

across the continent to be given a proper legal framework. This was a tripartite demand in 2002 and my members will not rest until it is answered.

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So to conclude, ECA urges the EU to act on previous advice – it will be the same again this time. In particular, we demand the ability to enter into good employee management practices including collective bargaining.

There is a guaranteed need, as unless we give the industry the tools to react appropriately to change, we will never become economically stable, and this will happen again in around a decade – or less.

And I would like to leave you with one thought close to my heart - I would ask legislators and regulators to take careful note when you are asked to delay or cancel safety regulation because of the economic situation. If you do hear such a request, the organisation or company which makes it is clearly going to put profit ahead of safety in their own decision making - which makes the need for the regulation all the more acute.

Thank you for listening