Civil aviation and its changing world of work
Introduction

This Global Dialogue Forum is to discuss...

‘The effects of the economic crisis in the civil aviation industry, in order to reach a common understanding of the difficulties the industry has undergone due to structural change, and a better understanding of the effects of the low-cost carrier model on the industry as a whole, as well as consensus on a common approach that could contribute to a more sustainable industry’.
Civil aviation and its changing world of work

Sectoral Activities Department
A Short Glance at Civil Aviation

Air Transport
- Major airlines
- Regional airlines
- Charter airlines
- Special services
- Air cargo carriers
- General aviation

Manufacturers
- Airframes/engines
- Mechanical systems
- Computers/electronics
- Software
- Materials/chemicals

Passengers
- Trains/car-hire/parking
- Hotels/restaurants
- Tourism/attractions
- Retail/purchases
- Travel agents
- Financial services
- Conferences/ conventions

Goverments
- Legislative bodies
- Regulatory bodies
- Aviation authorities
- Customs

Aviation services
- Insurance
- Leasing/financing/sales
- Distributors/suppliers
- Telecommunications
- Aircraft maintenance
- Fuel and oil
- Consultants

Airports & services
- Major airports
- General aviation
- Airports
- Training centres
- Terminal maintenance
- Catering/inflight services
- ATC services

Freight
- Freight forwarders
- Transport
- Warehousing
- Consolidation
- Input to other industries
- Mail
Civil Aviation is a Major Industry

• US$425 billion in value added (2007)

• 8.3 million people employed worldwide

• The industry supports 15.1 million jobs
Distinct Features of the Industry

• Transnational industry but rooted to countries
• Highly regulated
• Highly segmented job profiles
• Constant fluctuations
• Perishability of the service
From Crisis to Crisis
Recent Trends and Outlooks in Civil Aviation

Air Transport, registered carrier departures worldwide and passengers carried, 1970-2010

- Air Transport, passengers carried (left axis)
- Air transport, registered carrier departures worldwide (right axis)
“Airlines are a wonderful generator of profit – for everyone except themselves”

The Economist (2012)
World’s largest airlines in 2011, measured by number of revenue passenger kilometres (RPK) and number of passengers
Airlines in the Middle East

• Middle Eastern Airlines have grown in importance
Low Cost Carrier Seat Capacity

2004

14%

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2007

Low Cost Carrier Seat Capacity

20%
2008 Low Cost Carrier Seat Capacity

21%
2011

Low Cost Carrier Seat Capacity

25%
Total airlines’ net profits and profit margins 2003-11
Top 10 largest airports in 2011 by passenger numbers

- Atlanta
- Beijing
- London
- Chicago
- Tokyo
- Los Angeles
- Paris
- Dallas/Fort Worth
- Frankfurt
- Hong Kong
• Significant source of employment

• Ownership – private vs. public

• Regulation – traditionally a natural monopoly
Land-Side Operations

• Ground Handling and Catering
• Maintenance
• Air Traffic Management
Employment in air transport in 2010

- Airlines and handling agents
- Airport operators
- Others working on-site at airports
- Civil Aerospace Industry

Areas:
- Africa
- Middle East
- Latin America and Caribbean
- Europe
- Asia-Pacific
- North America

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Civil Aviation in the Decade Following 9/11

“If the Wright brothers were alive today, Wilbur would have to fire Orville to reduce costs” Herb Kelleher, 1994

The United States annual airlines employment and revenue passenger miles 1990-2010
Alliances

STAR ALLIANCE
28 member airlines

oneworld
12 member airlines

Sky Team
19 member airlines

Percentage of Seat Capacity

- Star Alliance
- oneworld
- Sky Team
- Non Alliance

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Mergers

- 2004: AIR FRANCE KLM
- 2008: DELTA
- 2010: UNITED
- 2011: LATAM
- 2013?: USAIR
Deregulation

- Open Skies
- Regulatory System
- Flags of Convenience
Pressure on Labour Costs

“Oh, it is excellent to have a giant’s strength; but it is tyrannous to use it like a giant”
Shakespeare - Measure for Measure, II:2

• Outsourcing
• Temporary Contracts
• Agency Labour
Gender in Civil Aviation

Employment in air transport in EU27, 2000-07

- Women are Underrepresented in Civil Aviation
- Lack of Women Pilots – 4% worldwide
- Cabin Crew seen as ‘woman's work’
Which picture is more representative?
Challenges for a Sustainable Industry

• Infrastructure Constraints

• Shortage of Skills

• Economic Viability with Sustainable Enterprises

• Environmental Issues
Challenges for Decent Work

- Rights at Work
- Occupational Safety and Health
- Migrant Workers
- Social Dialogue
Improving Workplaces

• Employment Relations in Airlines

“Loyal employees in any company create loyal customers, who in turn create happy shareholders.”
Sir Richard Branson, 2001

• Work Coordination at Airports
The Role of the ILO

• Make Decent Work a Reality in Civil Aviation
  • Creating jobs
  • Guaranteeing rights at work
  • Extending social protection
  • Promoting social dialogue

• Collaborate with the constituents and partners, including ICAO
Discussion Points

1. What have been the effects of the economic crisis and other crises since 2000 on civil aviation, what difficulties did the industry undergo due to the structural change, and how have low-cost carriers affected the industry as a whole?

2. What are the most important occupational safety and health issues and how could they best be addressed?

3. What should be done to promote social dialogue in the civil aviation industry, in order to ensure that civil aviation can attract and retain the workforce it needs and provide decent work, and to contribute to a more sustainable industry?

4. Recommendations for future action by the International Labour Organization constituents and the International Labour Office.