

GDFCA/2013



# 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’.*

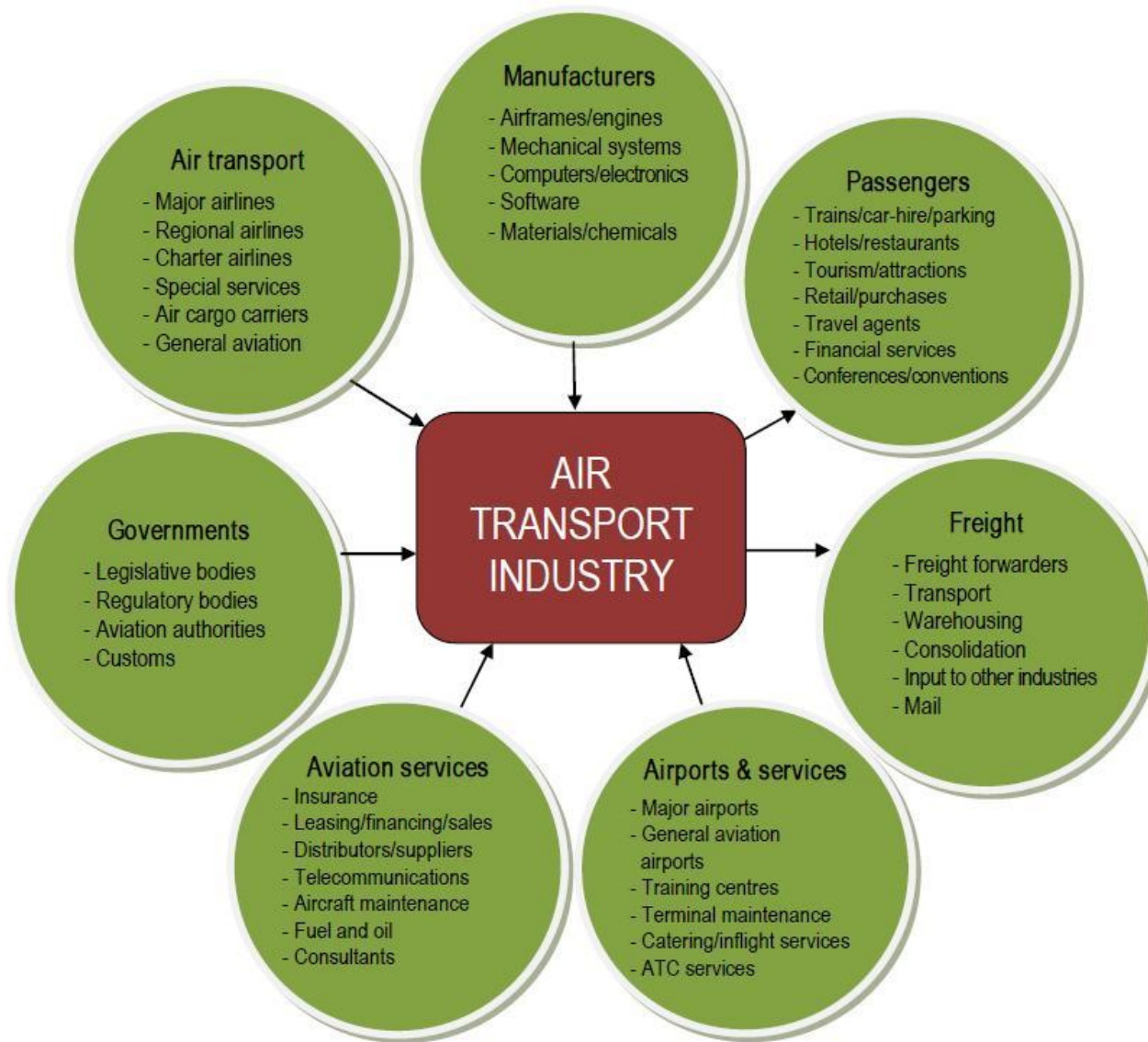


## Civil aviation and its changing world of work



Sectoral  
Activities  
Department

# A Short Glance at Civil Aviation



# 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

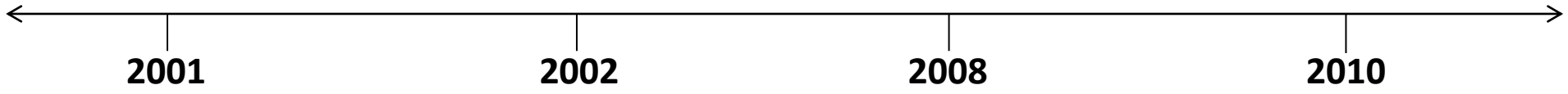




# Distinct Features of the Industry

- Transnational industry but rooted to countries
- Highly regulated
- Highly segmented job profiles
- Constant fluctuations
- Perishability of the service

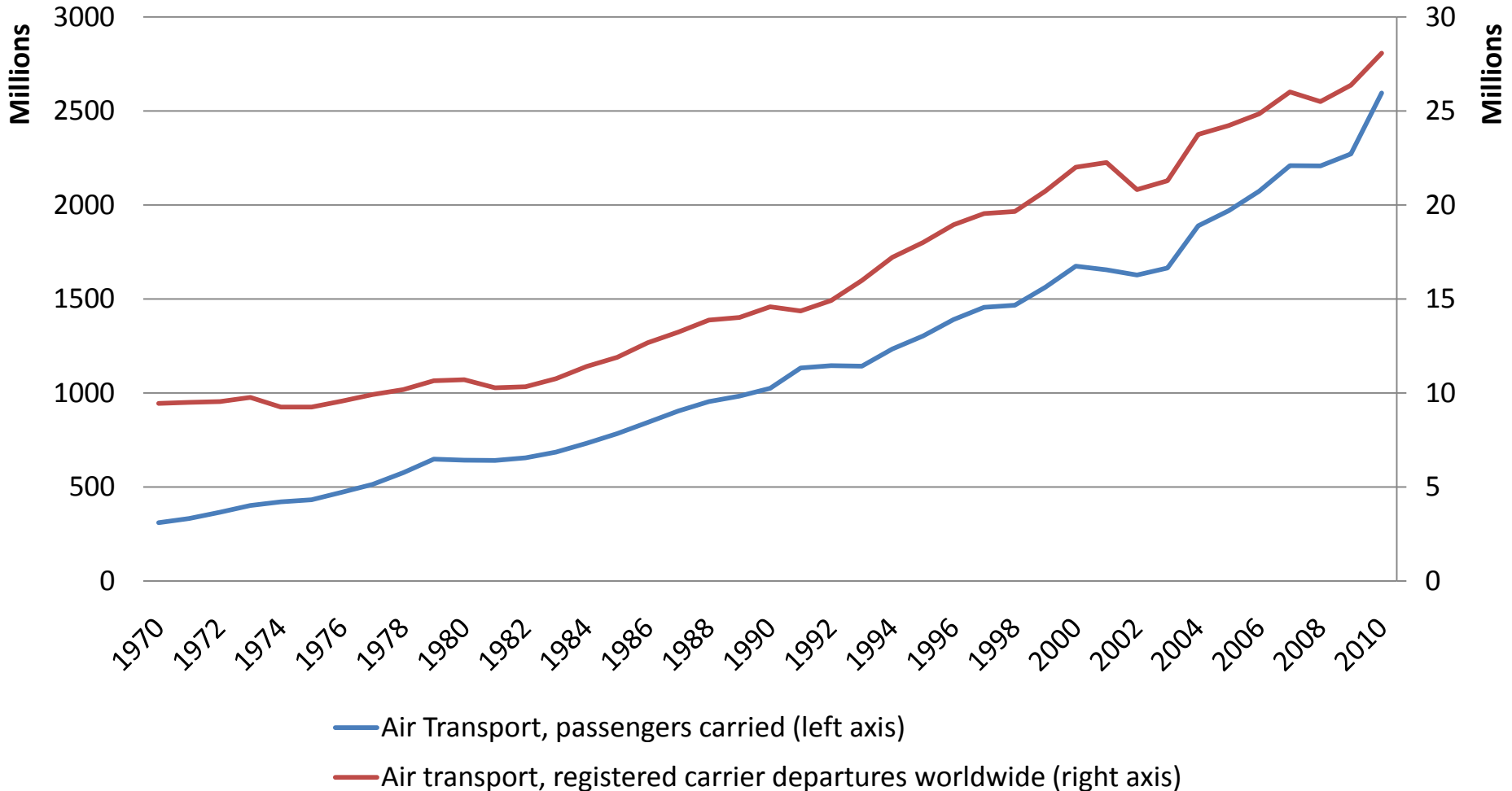
# From Crisis to Crisis



# Recent Trends and Outlooks in Civil Aviation

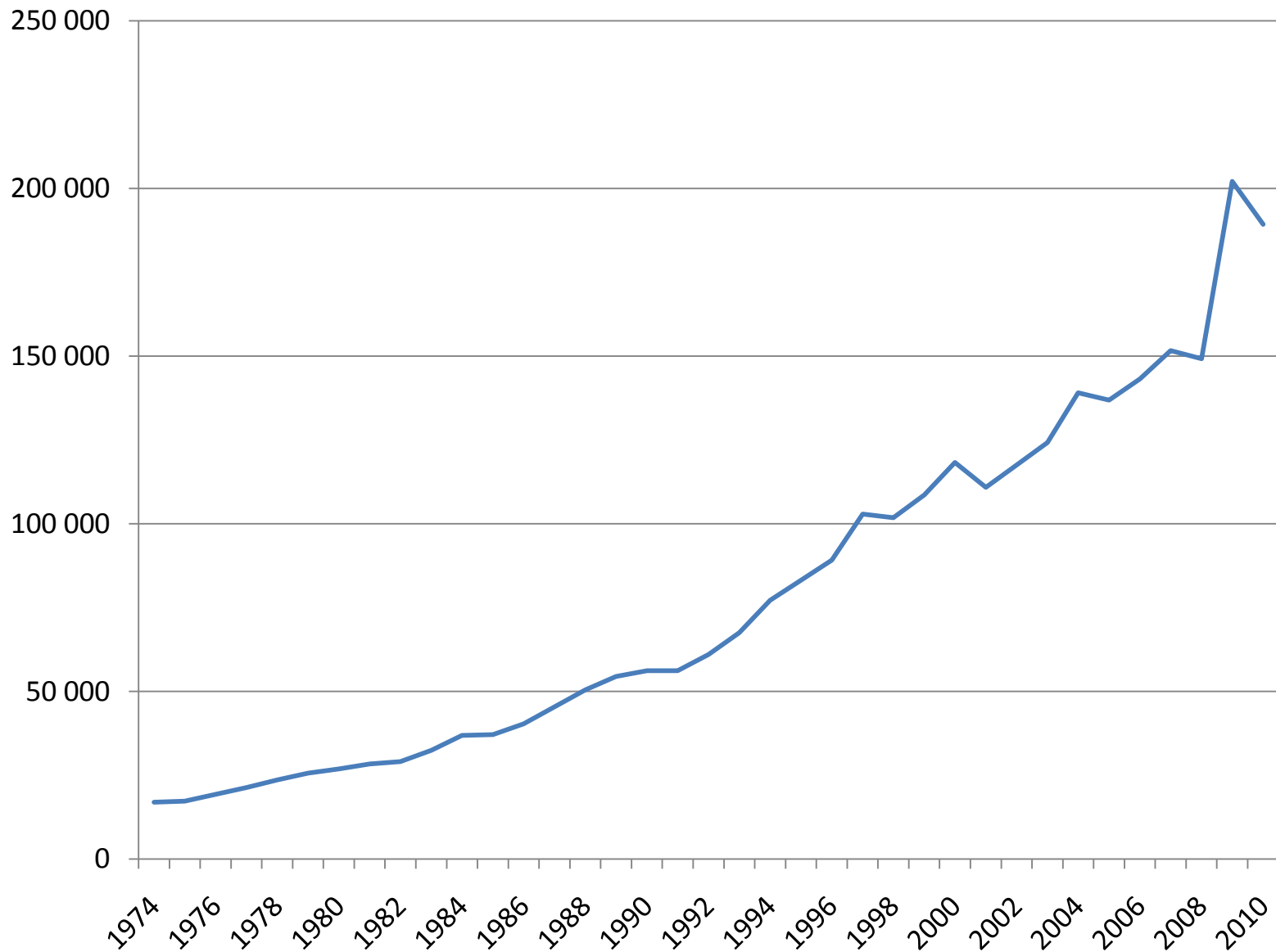


## Air Transport, registered carrier departures worldwide and passengers carried, 1970-2010





## Air transport, freight (million tonne-km), 1974-2010



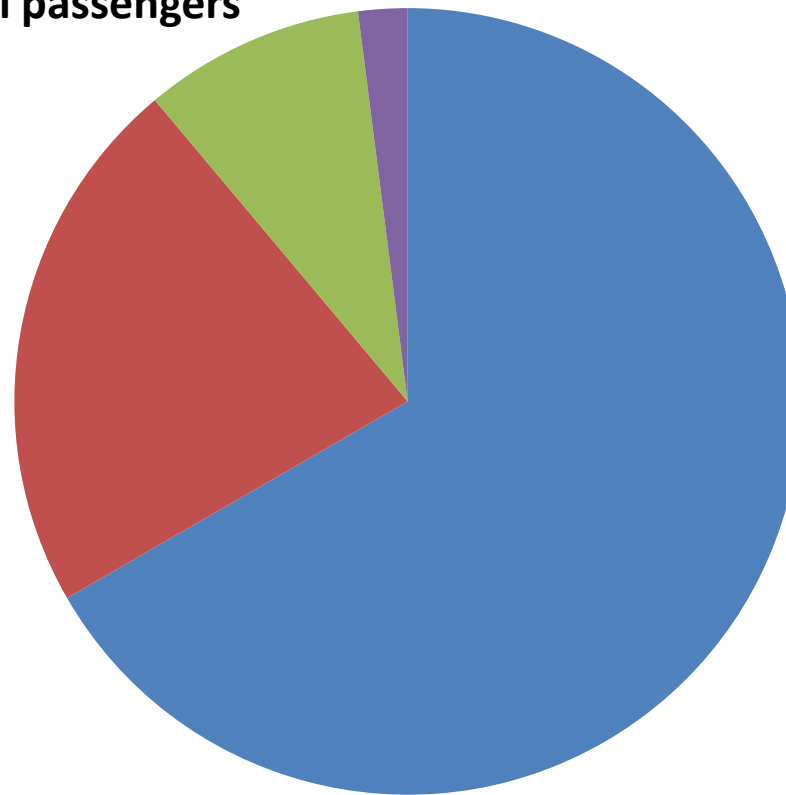
# Airlines



*“Airlines are a wonderful generator of profit – for everyone except themselves”*

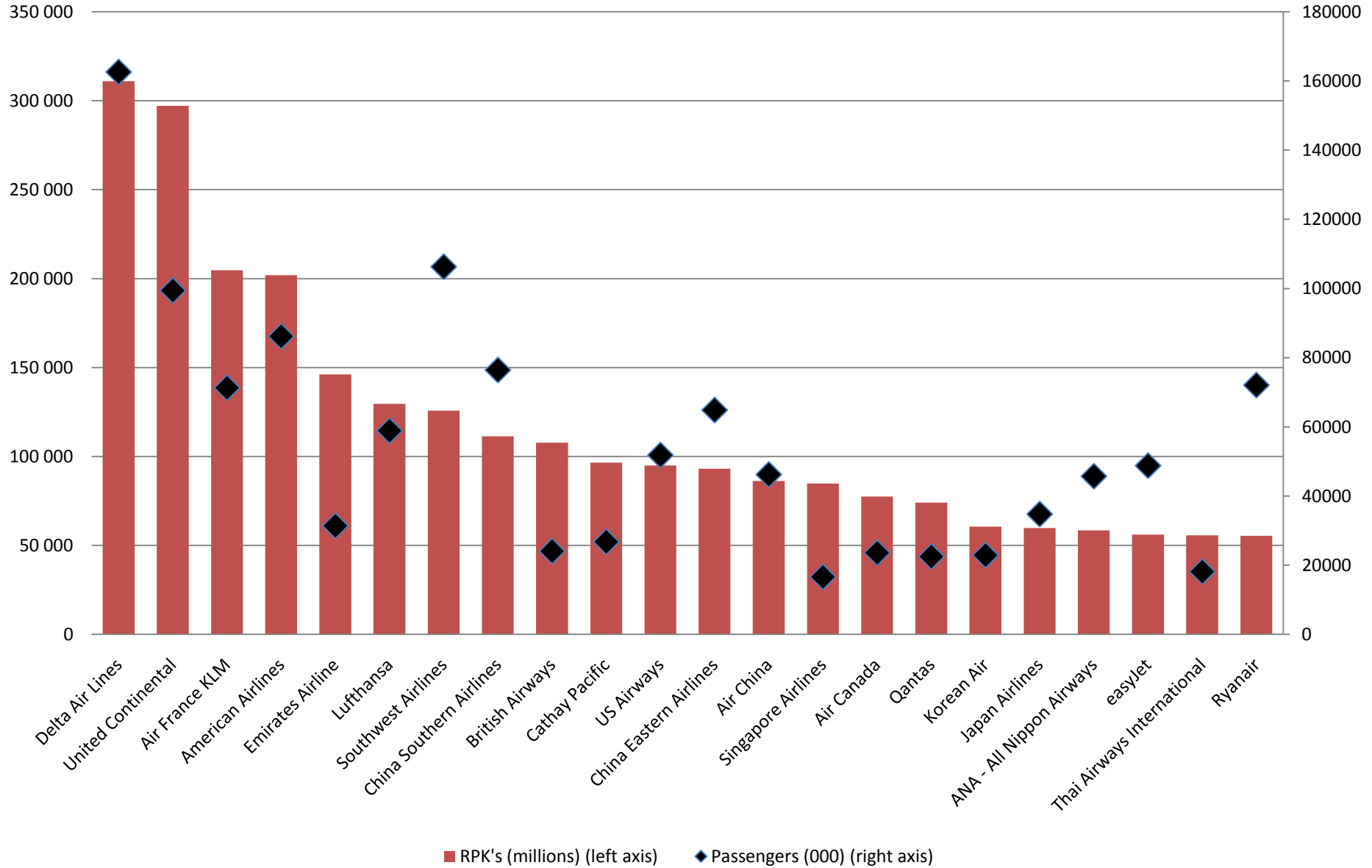
The Economist (2012)

Percentage of total passengers



■ Full-Service Airline ■ Low Cost Carrier ■ Regional Airline ■ Charter Airline

# World's largest airlines in 2011, measured by number of revenue passenger kilometres (RPK) and number of passengers

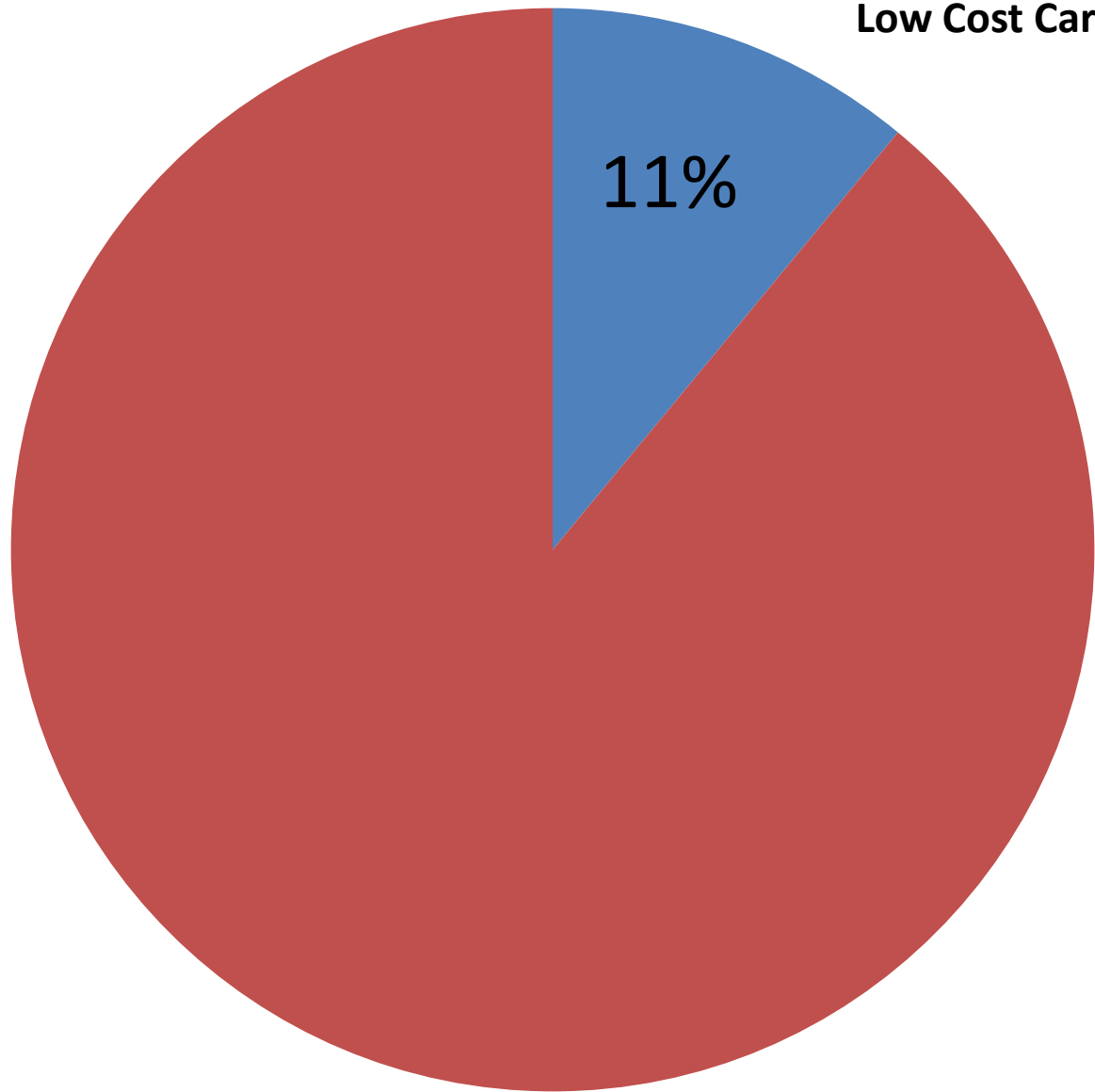


# Airlines in the Middle East

- Middle Eastern Airlines have grown in importance



# 2003

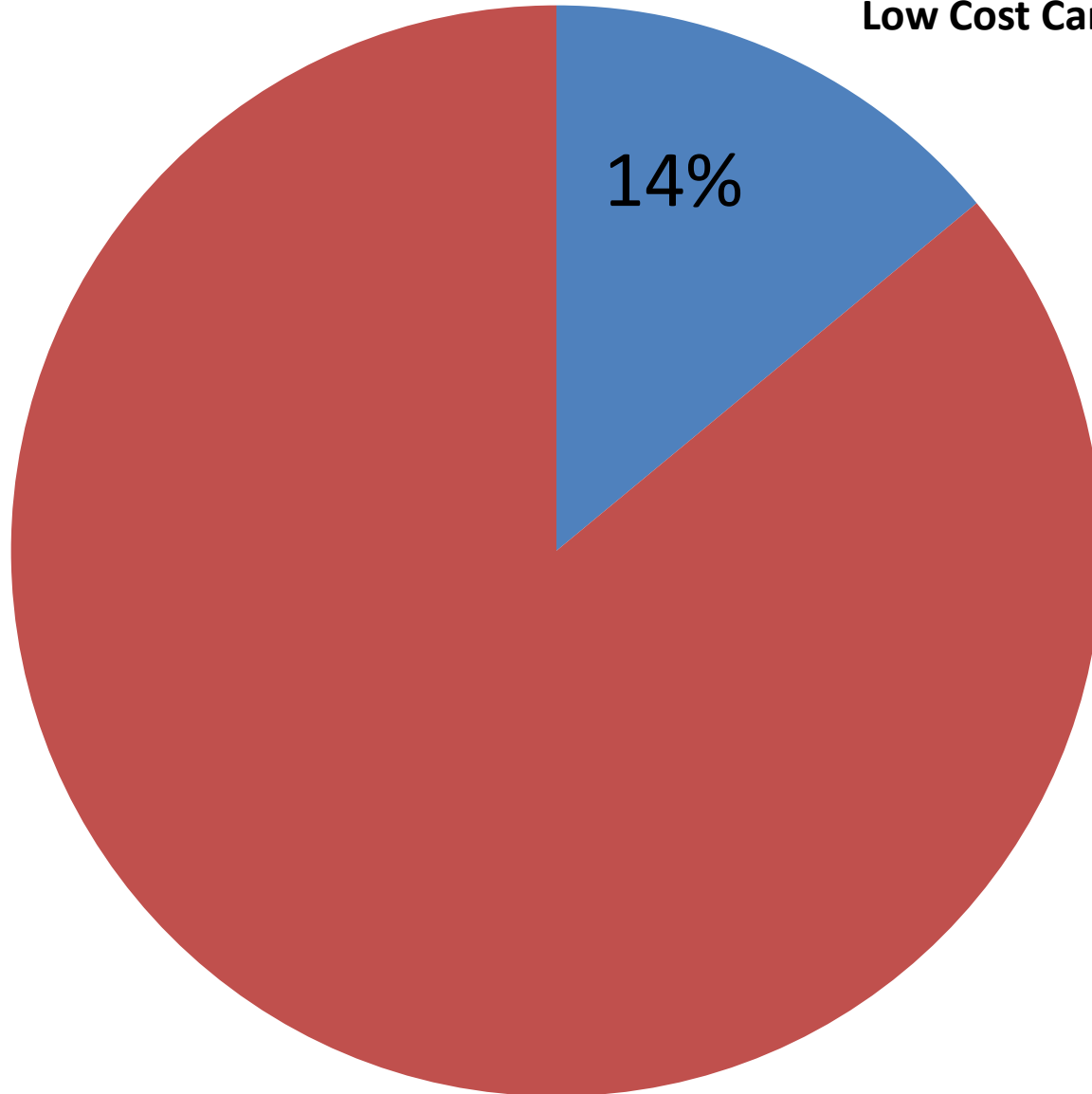


**Low Cost Carrier Seat Capacity**

11%

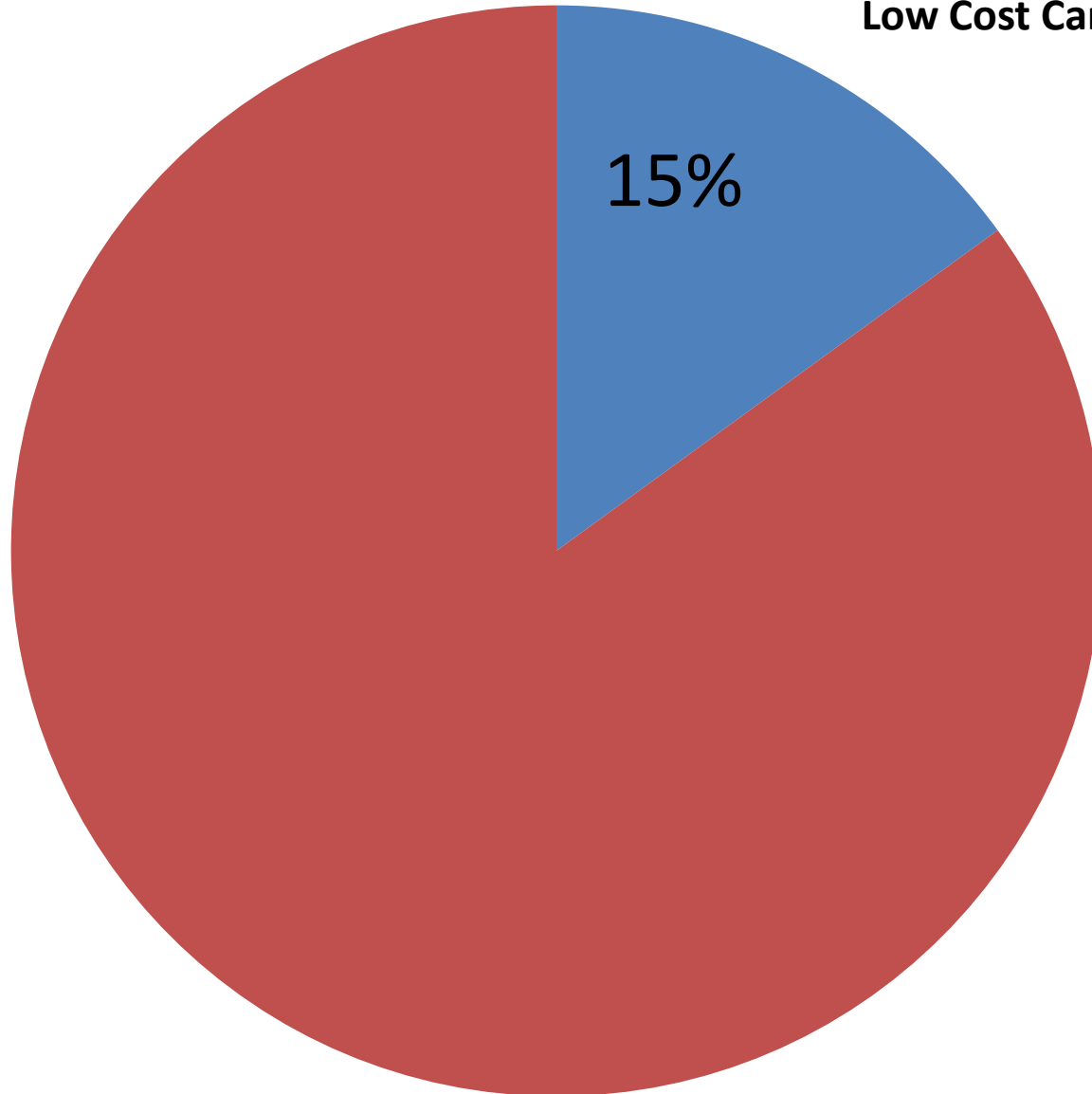
# 2004

Low Cost Carrier Seat Capacity



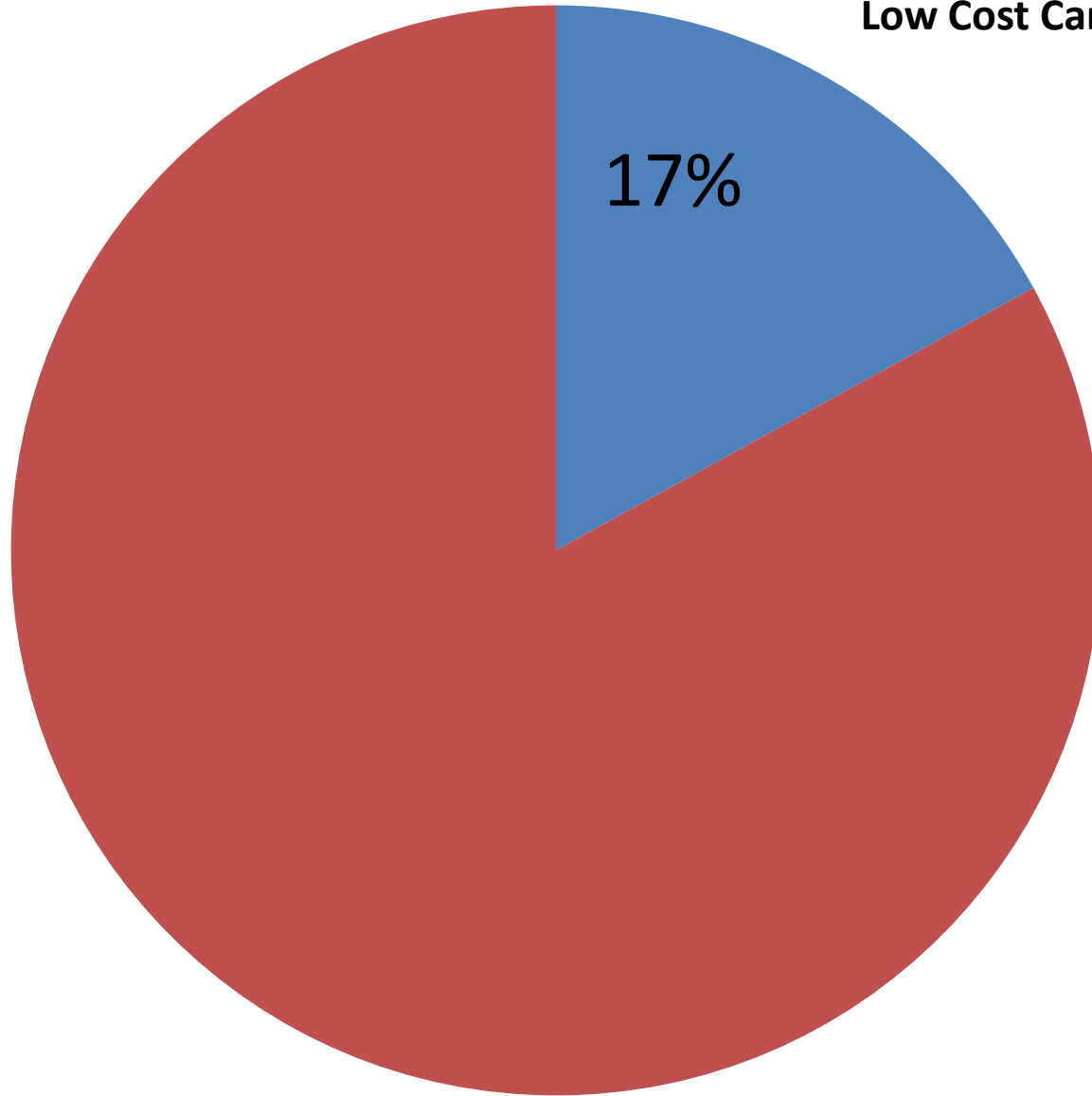
# 2005

Low Cost Carrier Seat Capacity



# 2006

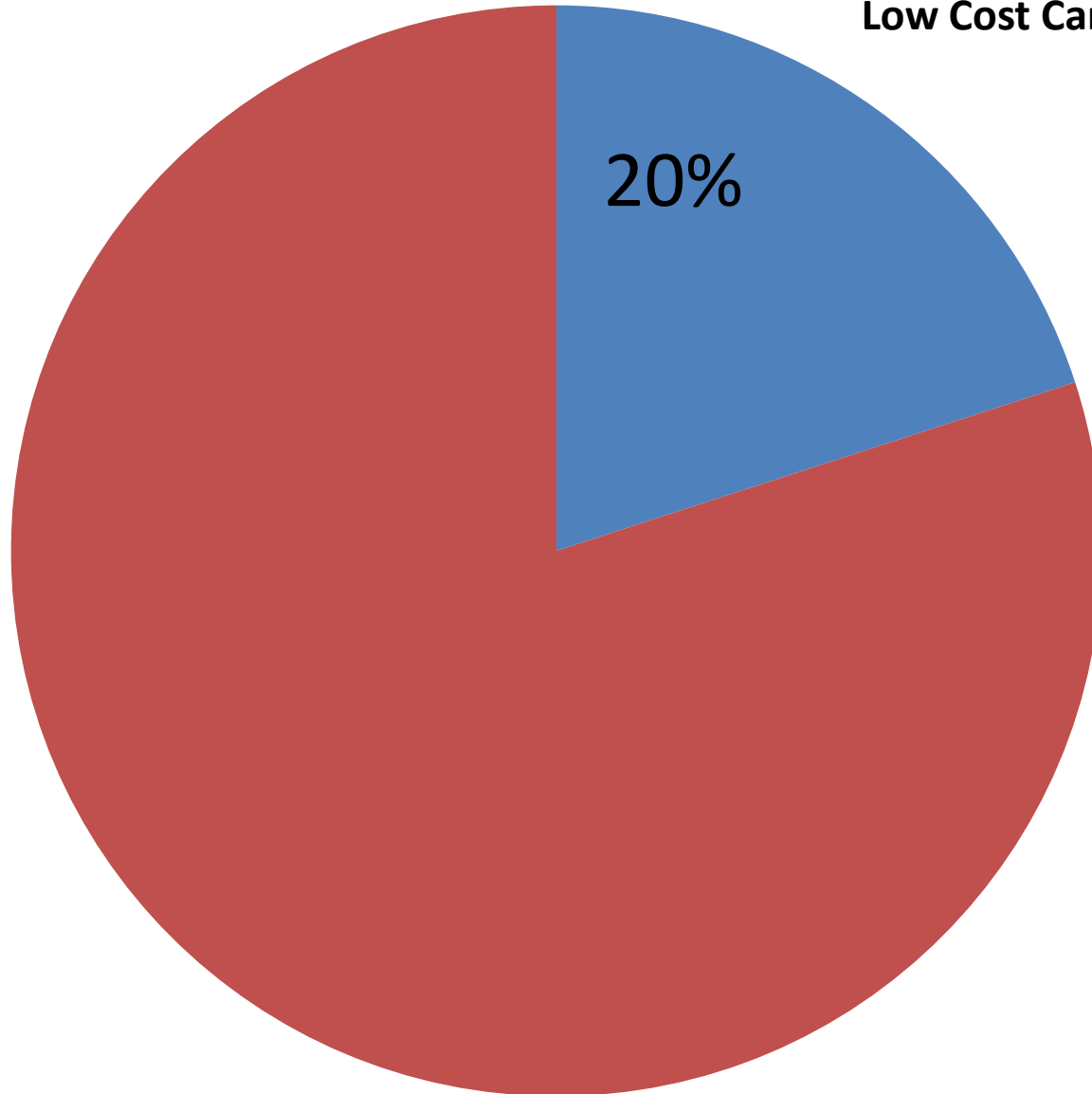
Low Cost Carrier Seat Capacity





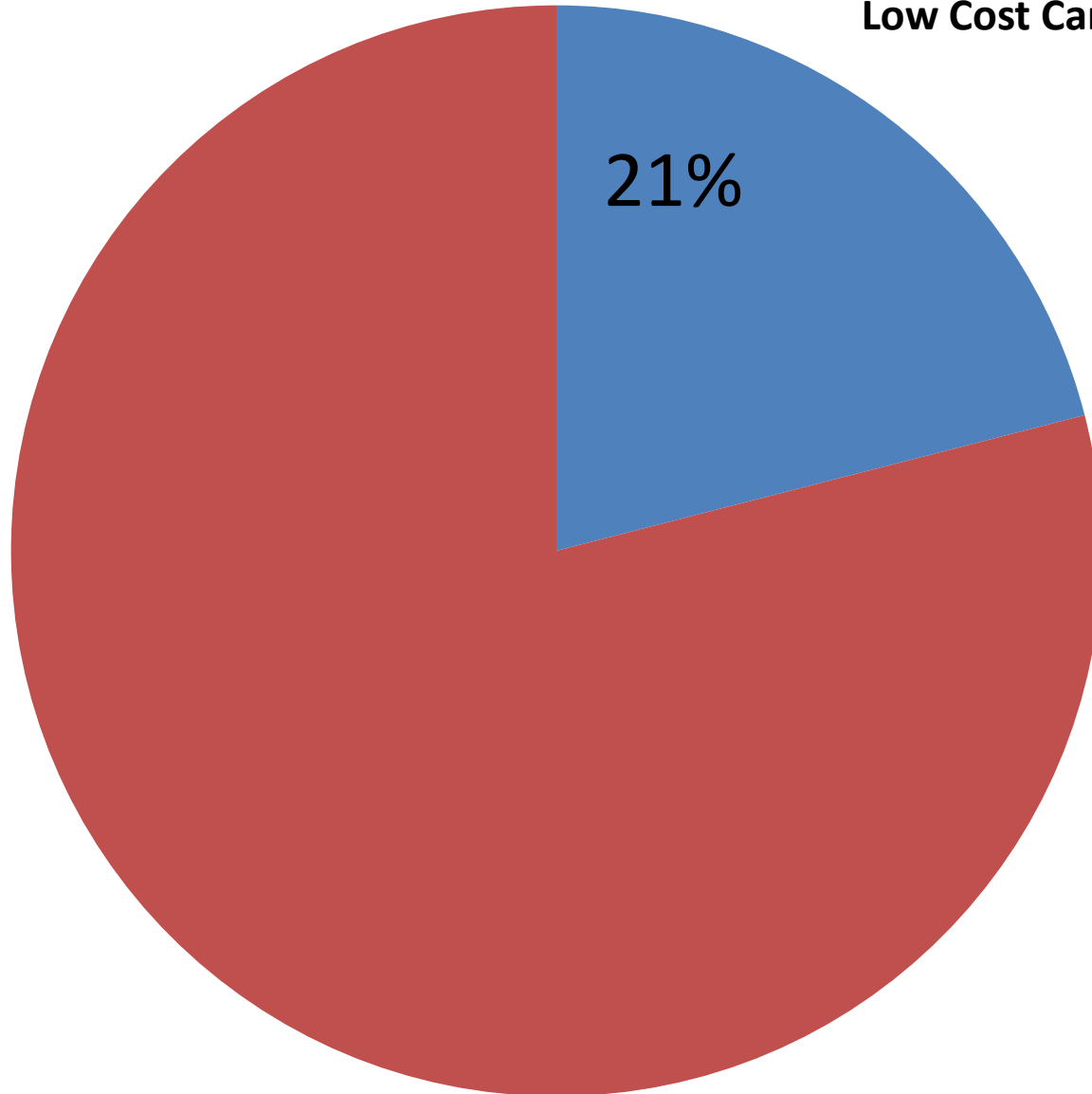
# 2007

Low Cost Carrier Seat Capacity



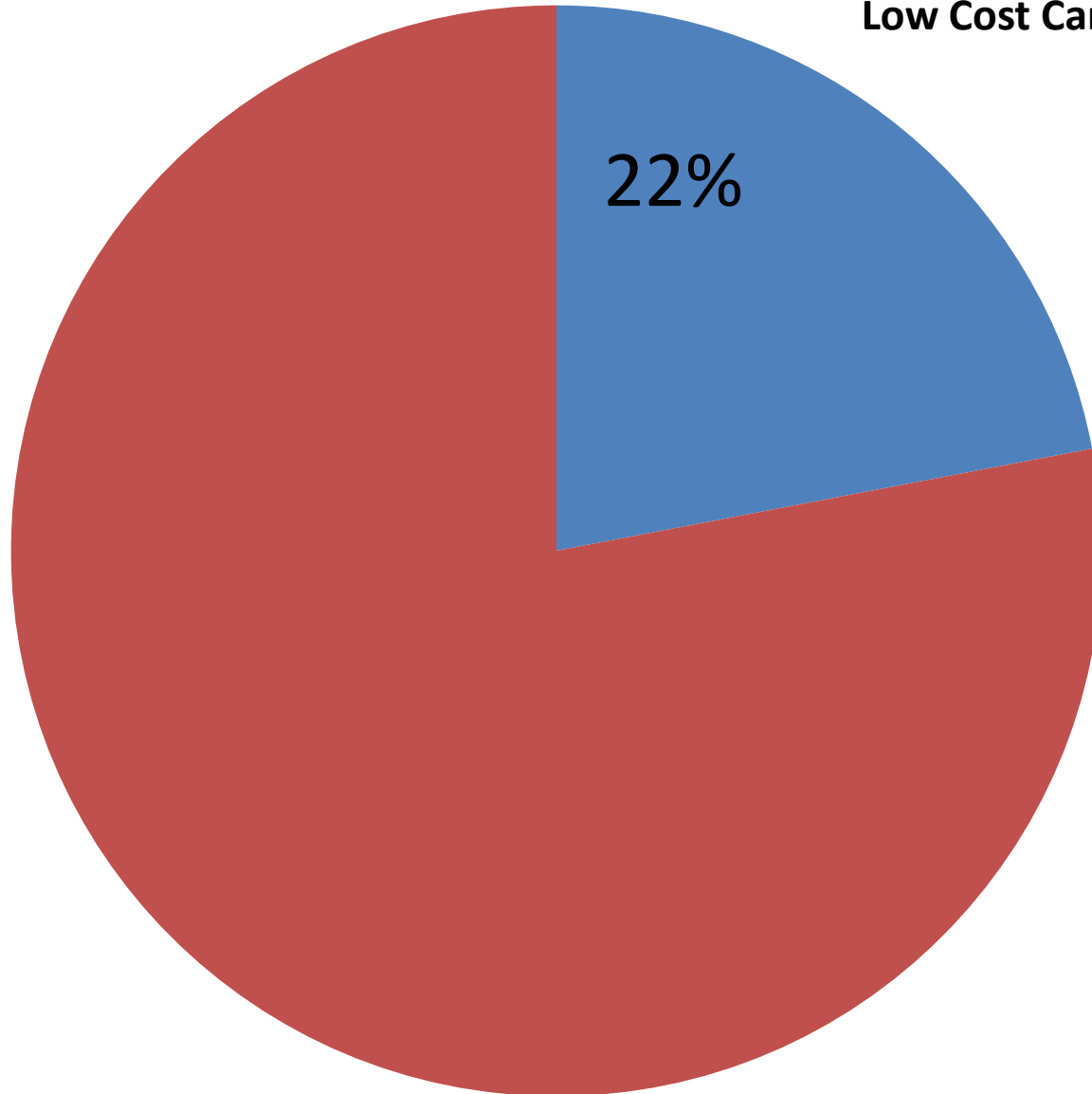
# 2008

Low Cost Carrier Seat Capacity



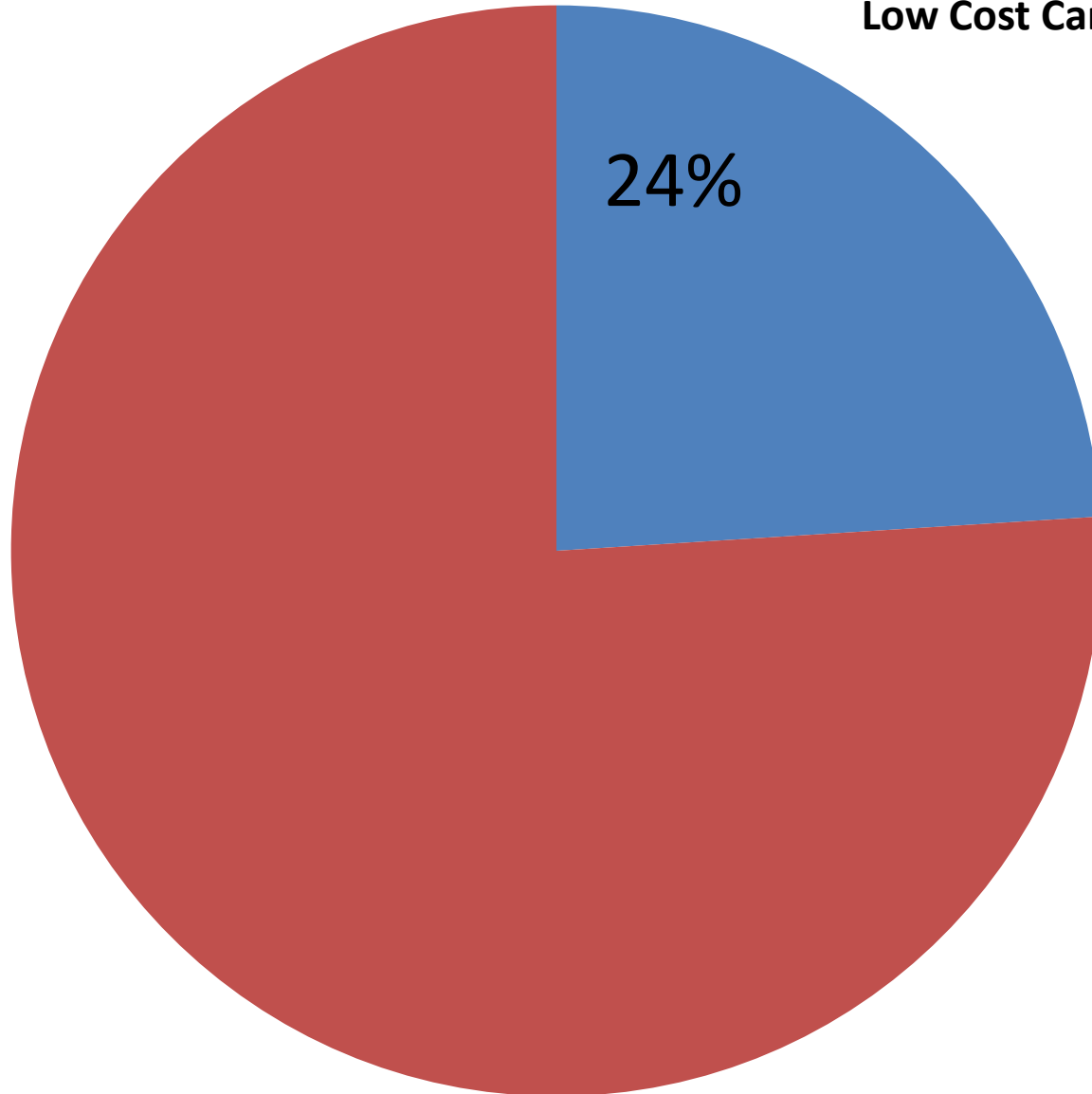
# 2009

Low Cost Carrier Seat Capacity



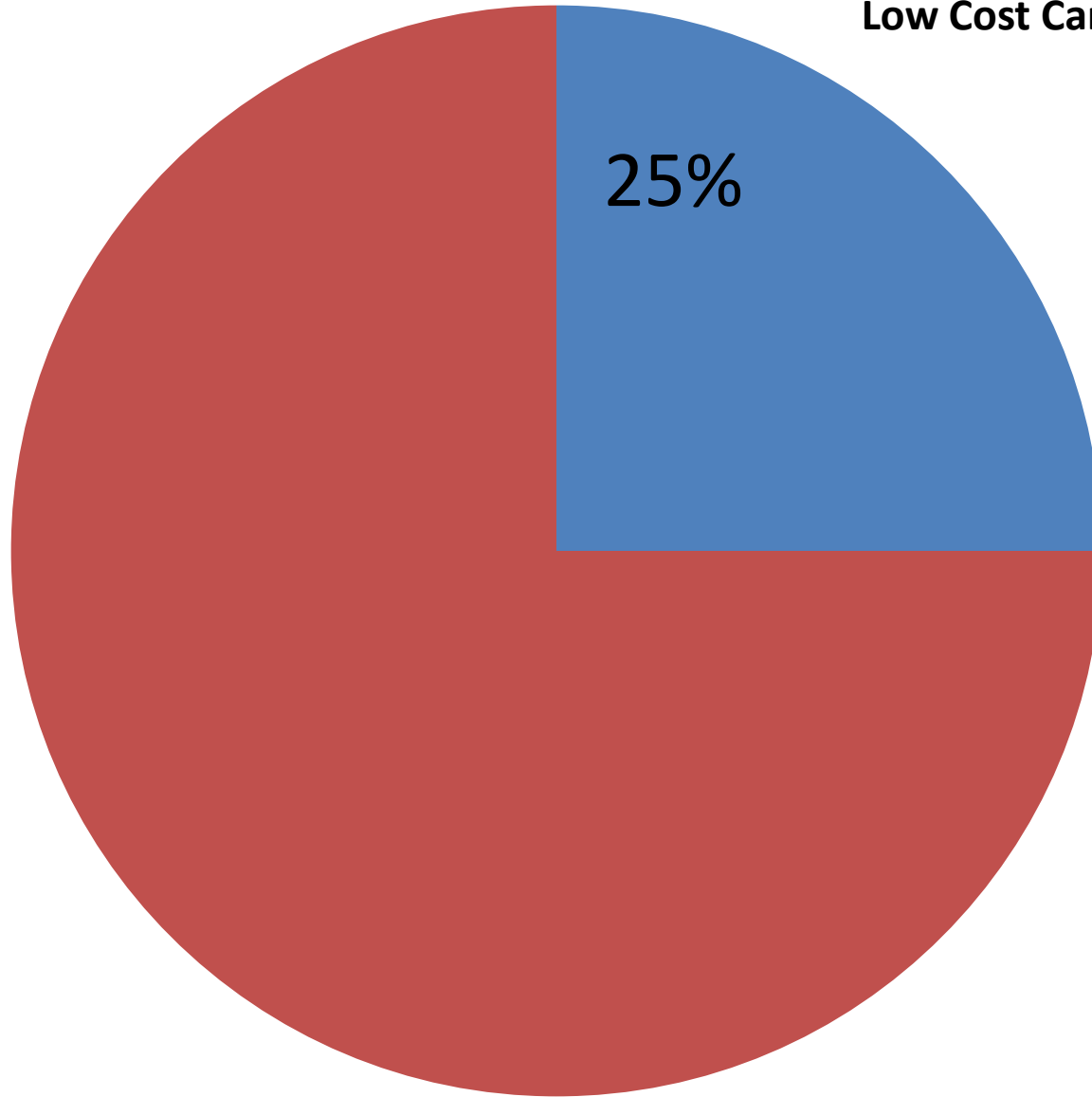
# 2010

Low Cost Carrier Seat Capacity



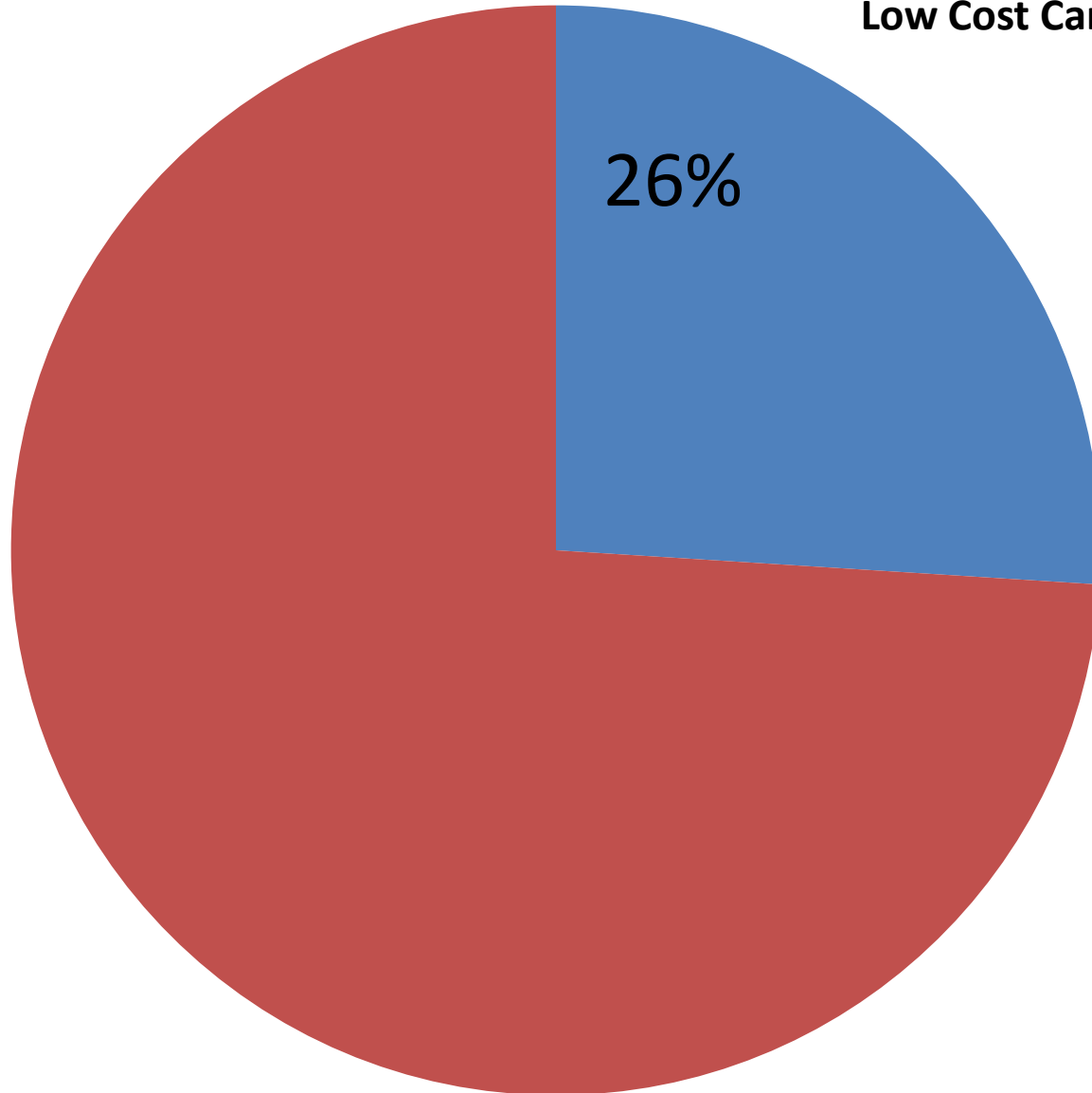
# 2011

Low Cost Carrier Seat Capacity

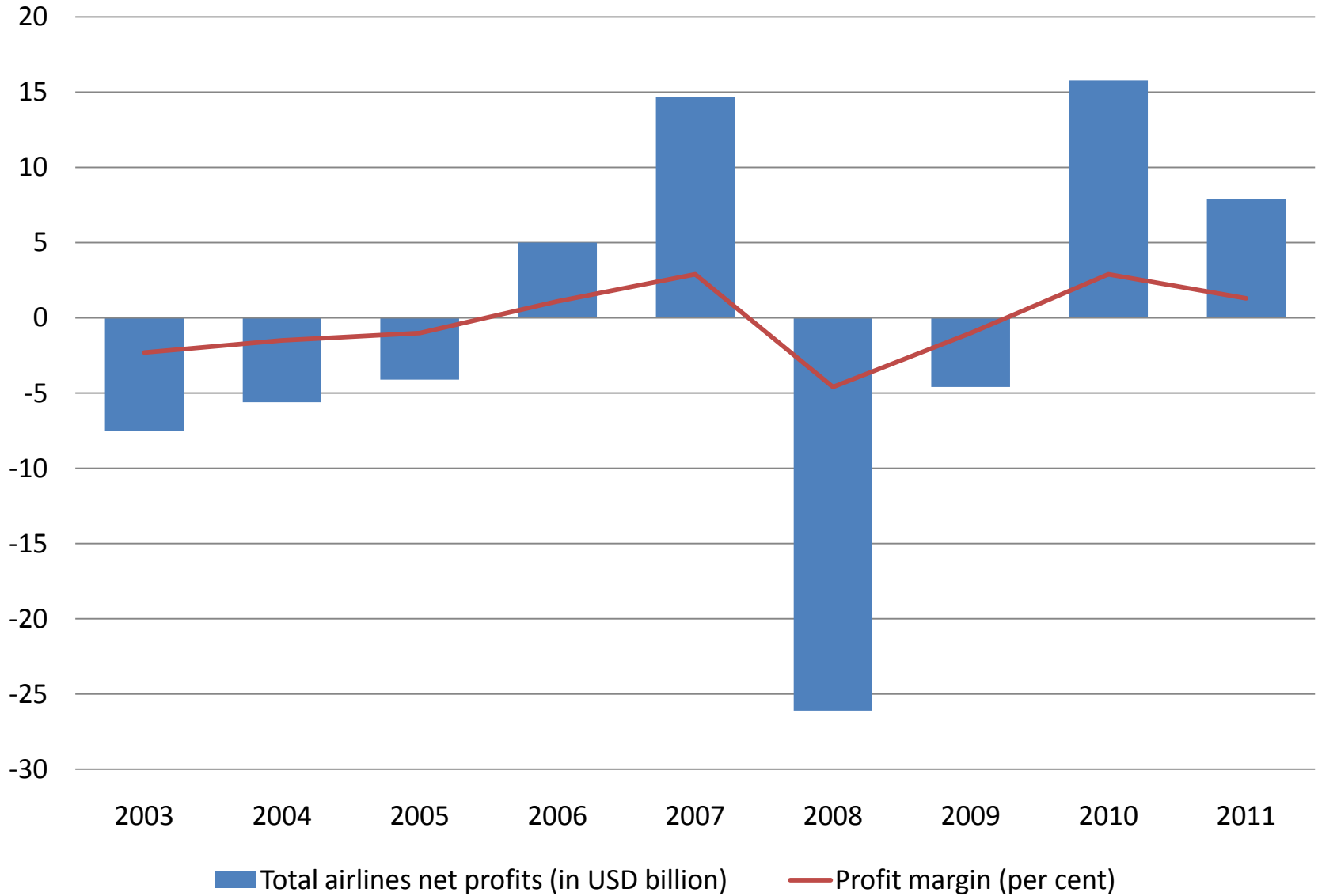


# 2012

Low Cost Carrier Seat Capacity



## Total airlines' net profits and profit margins 2003-11



# Airports



## Top 10 largest airports in 2011 by passenger numbers





- Significant source of employment
- Ownership – private vs. public
- Regulation – traditionally a natural monopoly



# Land-Side Operations

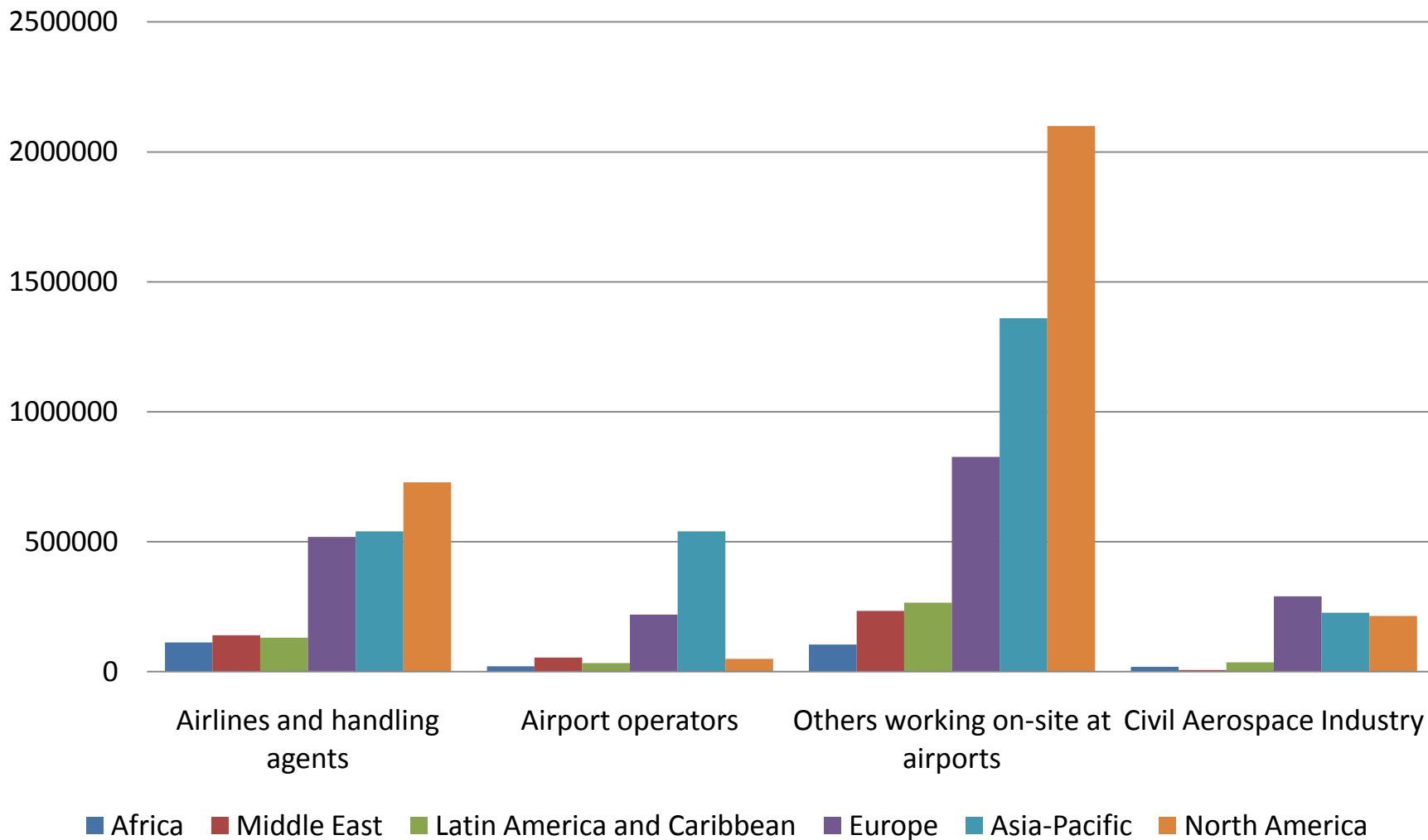
- Ground Handling and Catering
- Maintenance
- Air Traffic Management



# Employment



## Employment in air transport in 2010

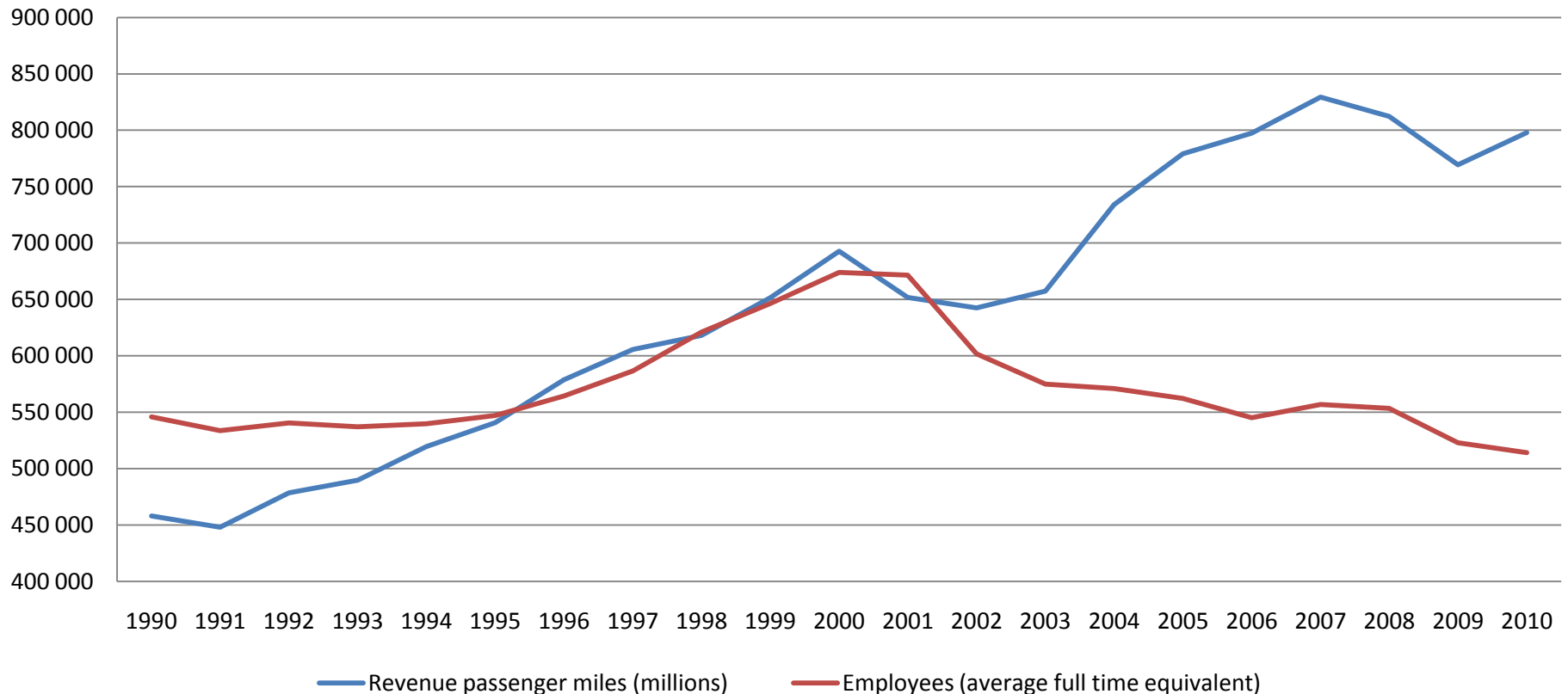


# Civil Aviation in the Decade Following 9/11



*“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

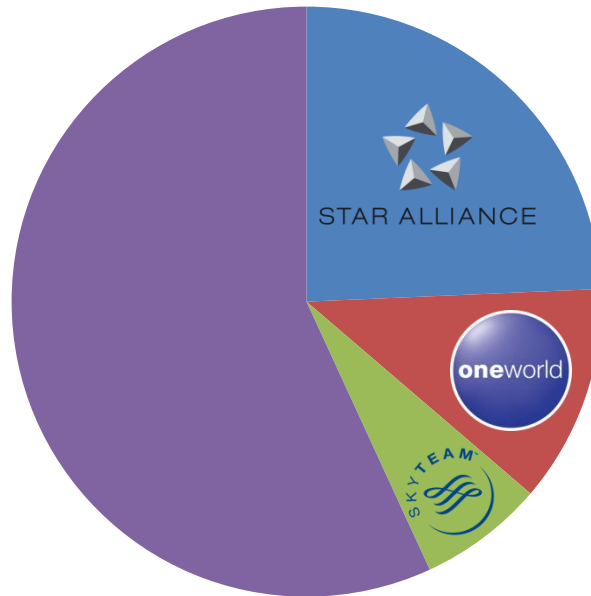


12 member airlines



19 member airlines

Percentage of Seat Capacity



■ Star Alliance ■ oneworld ■ Sky Team ■ Non Alliance

# Mergers

2004 **AIR FRANCE KLM**

2008  **DELTA**

2010 **UNITED** 

2011 **LATAM**   
AIRLINES

2013? 

- 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

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- 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.