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ITF/ETF: Ryanair business model must reform now

The ITF (International Transport Workers' Federation) and ETF (European Transport Workers' Federation) today warned that Ryanair's business model of outsourcing and the rejection of staff requests for better conditions and union representation is putting the airline's future in doubt.

The ITF revealed that, following the [defeat for Ryanair/Crewlink at the European Court of Justice](#) last week, it has been approached by a number of investors who are concerned by analysts' estimates that compliance with the judgement will increase Ryanair's labour costs by up to 20 percent – leading them to question the sustainability of its aggressive and cost-cutting business model.

ITF general secretary Steve Cotton explained: "Ryanair is at a crisis point, facing a triple whammy of being taken to task by the ECJ, having mismanaged its flight time obligations, and lost consumer and staff confidence.

"These aren't random misfortunes. For years representative bodies, including our own affiliated unions, have called for improvements – from union recognition to improvements in pay and conditions. Instead the airline has stuck with a stubbornly single-minded business model that operates in the margins, leaving no room for compliance with, among other things, flight time and leave entitlements for all crew.

"That outsourcing model – which is typical of the kind of forced precarious working that is increasingly being successfully challenged in the world's courts – is now leading analysts to question the sustainability of these employment practices."

Oliver Richardson, chair of the ITF's civil aviation section and national officer at Unite the Union, commented: "The truth is that when the business was on the way up shareholders were happy to believe the model was sustainable. Ryanair's control of the release of information around compliance risks also reduced shareholders' ability to hold the board to account on employment matters and impact on broader corporate governance. Those days are now over."



“Put simply, it’s time for Ryanair to reform. Shareholders face significant risk, passengers are angry, and workers have had enough. The emergence this week of a more coordinated approach from workers will expedite access to improvements. The ITF will work with our unions to secure this.”

Eduardo Chagas, general secretary of the ETF, added: “Offering small allowances and knee jerk pay awards, while at the same time continuing with an aggressive management style, is not going to get Ryanair’s management out of the hole that it has dug for itself. Ryanair has no choice but to adopt a new and consultative business model. The fact that Ryanair operates in the European Union should imply that basic labour rights are granted to all Ryanair workers.”

ENDS

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About the ITF and ETF

The **ITF** is an international federation of over 700 transport workers' trade unions representing 16.5 million transport workers from some 150 countries.

The **ETF** represents more than 230 transport unions in 41 European countries, representing over 3.5 million transport workers. In aviation, it is a recognised social partner and the only representative of aviation workers across all the industry’s sub-sectors: air traffic management, aircrew, ground handling, maintenance, etc.