



THE ICAT LOGISTICS

Bottom Line Newsletter

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Labor Unrest in Europe

SUMMARY

While many strikes have recently occurred across the EU, Germany's latest walkouts could be the most consequential yet. Claus Weselsky, the head of the German train union, said to reporters that walkouts are the beginning of a "so-called strike wave" across Germany.

BACKGROUND

Germany braced for another wave of travel disruptions in mid-March after unions representing train drivers announced more walkouts, adding to a string of travel chaos that hit Europe's largest economy over the past months. It's the sixth walkout for rail employees in a fierce dispute over wages and working hours and coincides with a separate two-day strike by Deutsche Lufthansa AG cabin crew. Both the rail and airline unions are demanding better wages and working conditions for their respective employees. GDL, the train union representing Deutsche Bahn, is seeking a "reduction in the working week for shift workers with no change in payment to reflect the reduced hours," Deutsche Welle said. GDL had previously broken off negotiations with mediators after these demands fell apart. Lufthansa and Deutsche Bahn have pushed back against the union's demands, with the latter refusing to concede its stake. GDL "doesn't budge a millimeter from its maximum position," Deutsche Bahn spokesperson Achim Stauss told the BBC. The strikes come as Germany has been "troubled by industrial action for months as workers and management across numerous sectors wrestle over terms amid high inflation and weak business activity," AFP said. Beyond the transportation industry, strikes have also hit "supermarkets and the civil service, among other areas of public life."

With the upcoming labor market negotiations and the expiring dockworkers' collective agreement in Finland, the current labor market situation hints at a challenging next round of talks. Strikes there have seen participation from several unions, including the Industrial Union, affecting about 4,000 industrial workers, and impacting various ports and facilities across the country.

Thousands of farmers in France took to the streets to protest various alleged grievances against their industry, claiming that the French government had hindered the progress of farming as a livelihood.





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CURRENT STATUS

These strikes are the latest in a series of similar actions in the rail, air, and local transport sectors this year. Facing inflation and staff shortages, unions push for higher wages and better working conditions. Such short "warning strikes" are common in German contract negotiations. But they have frustrated travelers and commuters and made Germany, Europe's economic powerhouse with a reputation for efficiency, appear dysfunctional. Each union's demands are different but center around higher wages and better working conditions. They argue that inflation has made life difficult for members and that employers should compensate them accordingly to keep up with rising prices.

Similar to the train strike, the airline workers' strike follows Lufthansa's recent announcement that its profits had doubled in 2023. Workers involved in the action are seeking a pay raise and an inflation compensation bonus. Lufthansa rejected that demand and instead offered to increase pay by 10 percent. The two sides have not reached an agreement. The union says 10 percent is insufficient and that ground staff barely earn minimum wage.

Trade unions in Finland announced a two-week political strike in opposition to the labor market reforms and social security cuts laid out by Prime Minister Petteri Orpo's (NCP) government. Organized to primarily impact goods transport, the strike is set to halt cargo transport at ports, disrupt freight rail services, and complicate the operations of process industries.

IMPACT

All the labor actions are intentionally targeted to have the most impact on commerce. Frankfurt Airport, which serves as Germany's busiest airport and main international hub, was closed for an entire day after Lufthansa security staff represented by Verdi walked off the job. The airport said on its Facebook page that the strikes will continue to "cause major disruptions and flight cancellations" throughout the coming days. Airports in Berlin and Hamburg were also affected by cancellations.

On Wednesday, the Central Organization of Finnish Trade Unions (SAK) estimated that roughly 7,000 employees would participate in the strike. Helsingin Sanomat estimated in its analysis that unions appear to have rethought their strategy to have as great an impact as possible with a relatively low number of employees while avoiding risking losing public sympathy and having to dig deep into their coffers to fork out strike pay.

The social situation in France remains tense amid protests from teachers, police officers, and farmers in recent weeks, which followed massive demonstrations last year against the increase in





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retirement age. Paris Olympics organizing head Tony Estanguet said last month that he hopes trade unions will not "ruin the party" by calling strikes during the Games. Disruptions are, however, already expected in the transportation network since the CGT announced a seven-month strike notice over pay issues at transport operator RATP from Feb. 5 to Sept. 9.

RESOURCES:

- [Deutsche Bahn Loses Court Bid to Block Train Drivers' Strike](#) (Supply Chain Brain)
- [Another Strike by German Train Drivers Coincides with a Walkout by Lufthansa Crew](#) (AP News)
- [More Labor Strikes Poised to Impact Planes and Trains in Germany](#) (MSN)
- [Strike Paralyzes Finnish Ports: A Look at the Widespread Impact](#) (Helsinki Times)
- [Finnish Unions Announce Two-Week Strike with Ramifications for Cargo Transport](#) (Helsinki Times)
- [Germany's Transportation Industry Grinds to a Halt as Workers Strike](#) (MSN)
- [Europe's Farmers are Protesting](#) (The Week)
- [Major French Union Threatens Strikes During Olympics & Hospital Workers Could Walk Off](#) (AP News)
- [What's Behind Germany's Transport Strikes that Have Stranded Air, Rail, and Bus Travelers?](#) (AP News)

