

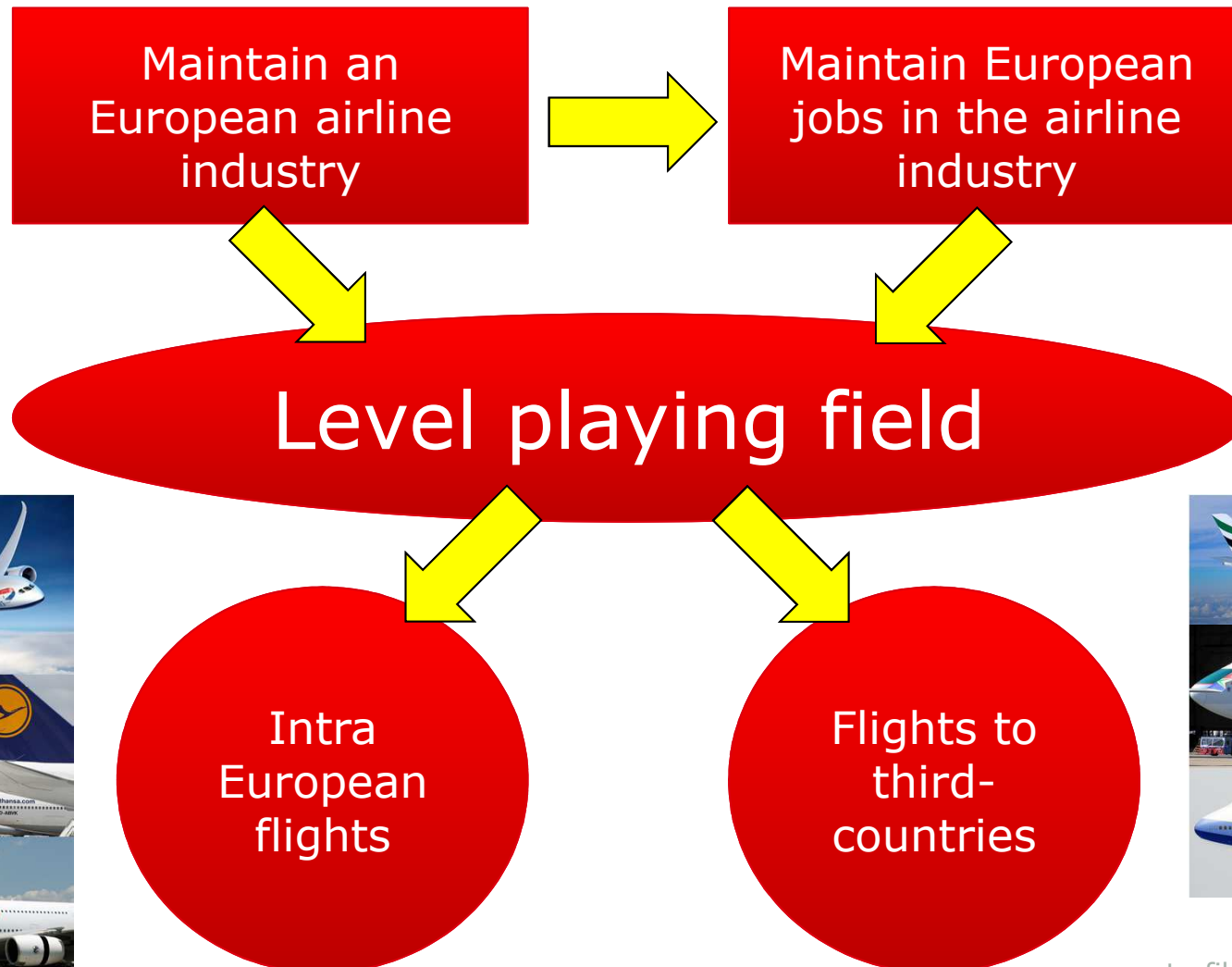
"Social dumping" in aviation



Keld Ludvigsen
Deputy Director General

DGAC-CSAC Conference 4 May 2015

Challenges at EU level



Development of civil aviation

Global norms in UN auspices

- Civil aviation is an international cross-border business
- The Chicago Convention of 1944
- A large degrees of freedoms
- Flag carriers/network carriers

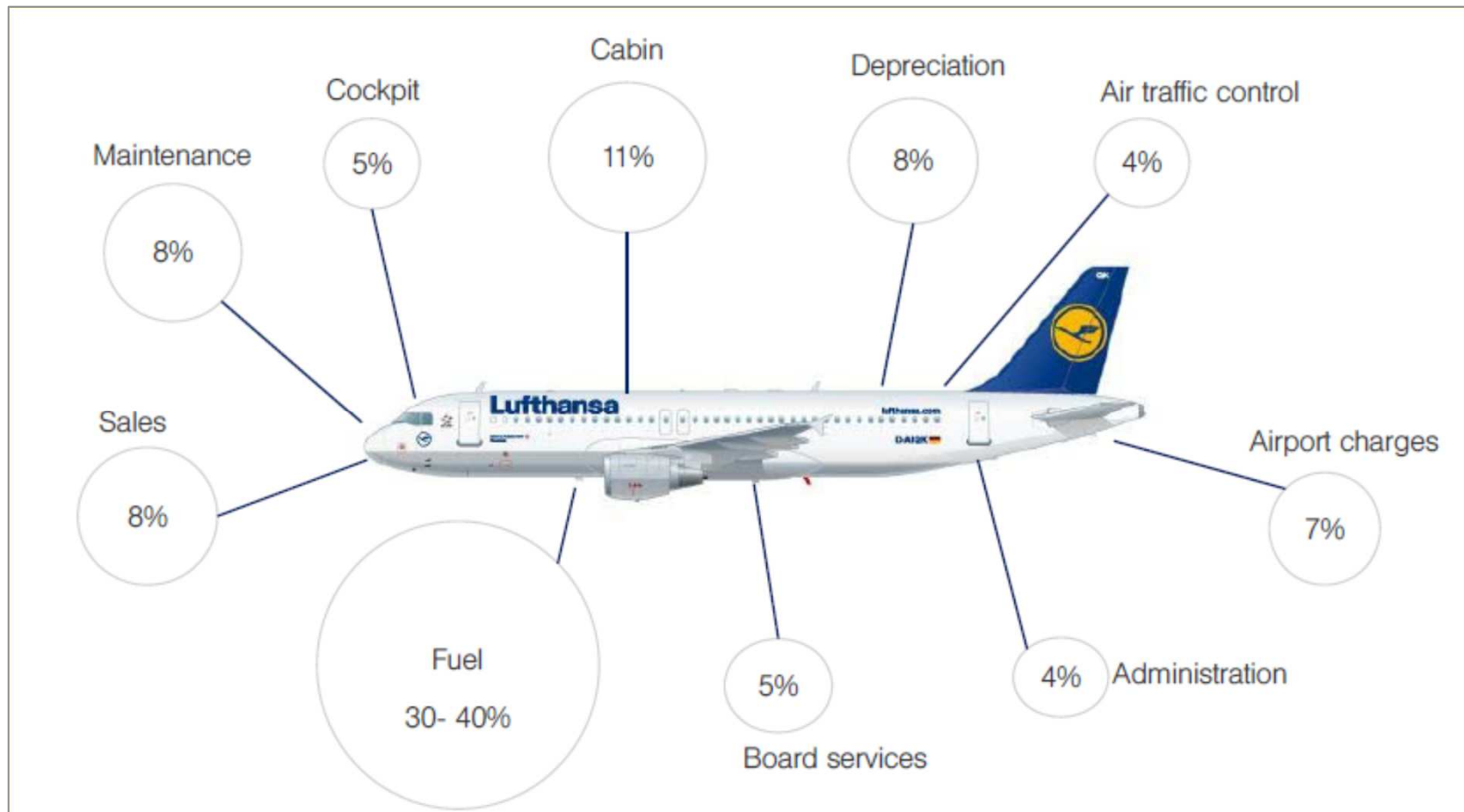


Liberalization in the 90s

- The EU internal market for civil aviation
- Point-to-point companies
- Increased competition
- Substantial growth
- Emerging convergence

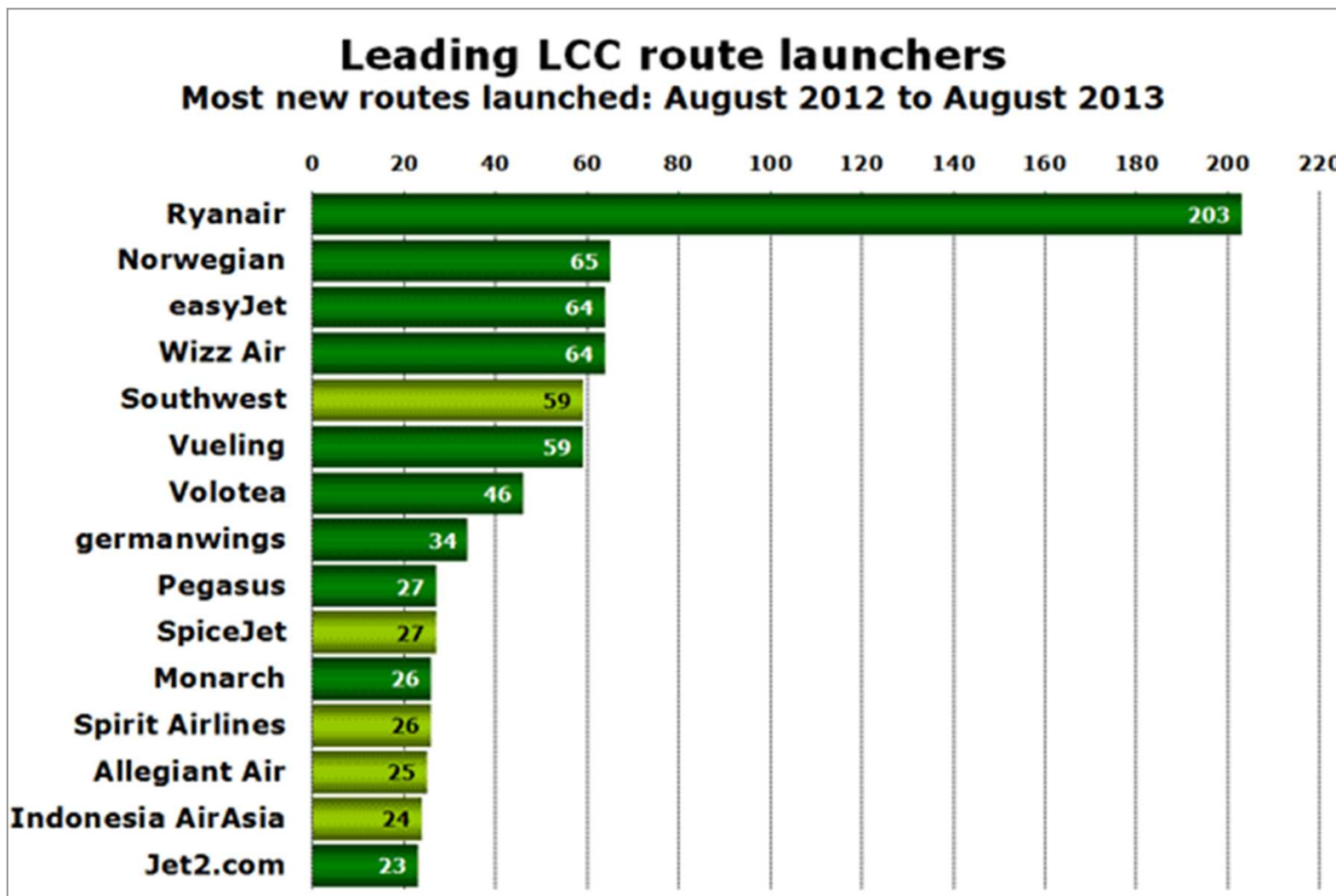


Cost an airline can manage



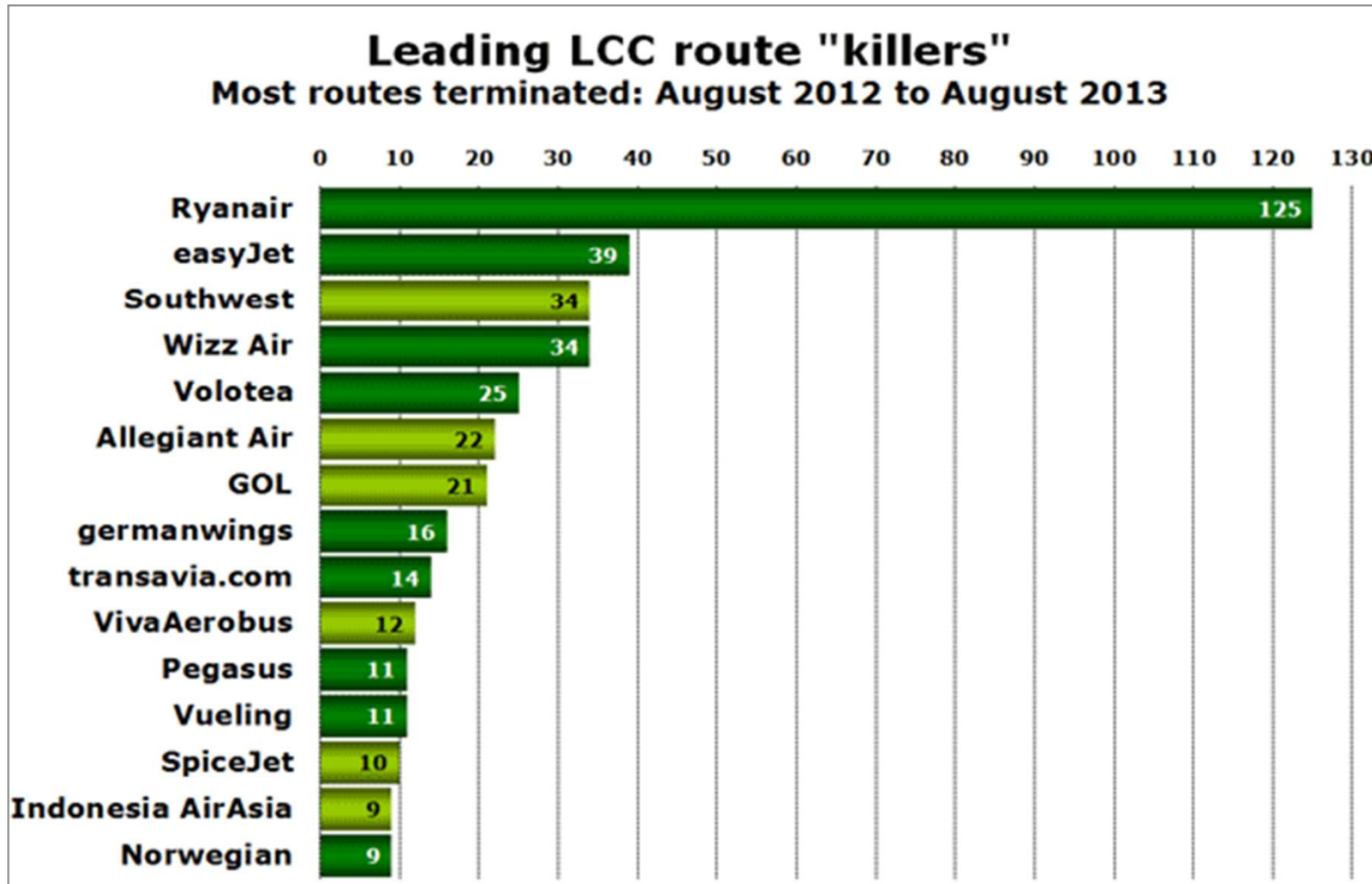
Source: Lufthansa

Searching for new markets



Source: Cardiff Business School

Abandoning unprofitable routes



Source: Cardiff Business School

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Virtual airlines

- Outsourced ancillary services
- Greater flexibility



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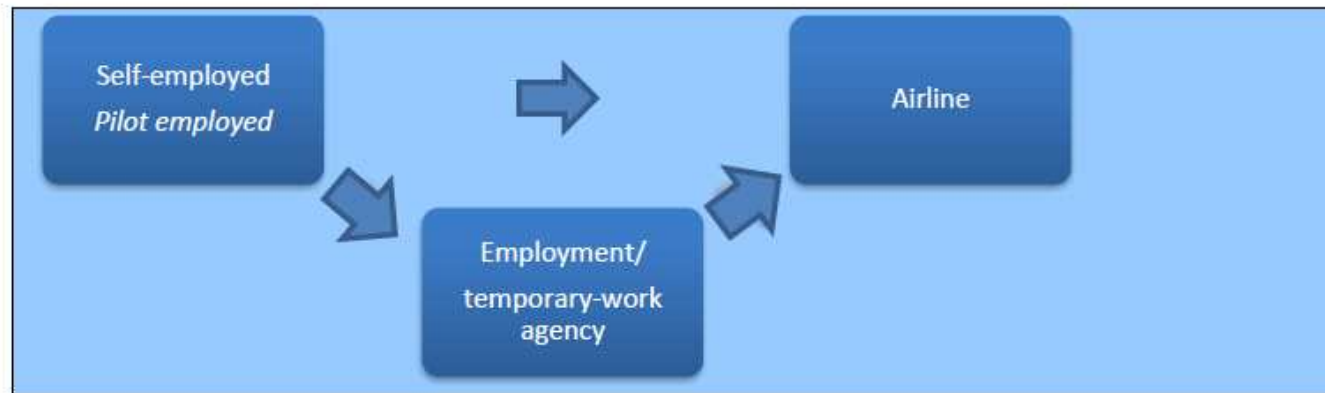
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Atypical employment models

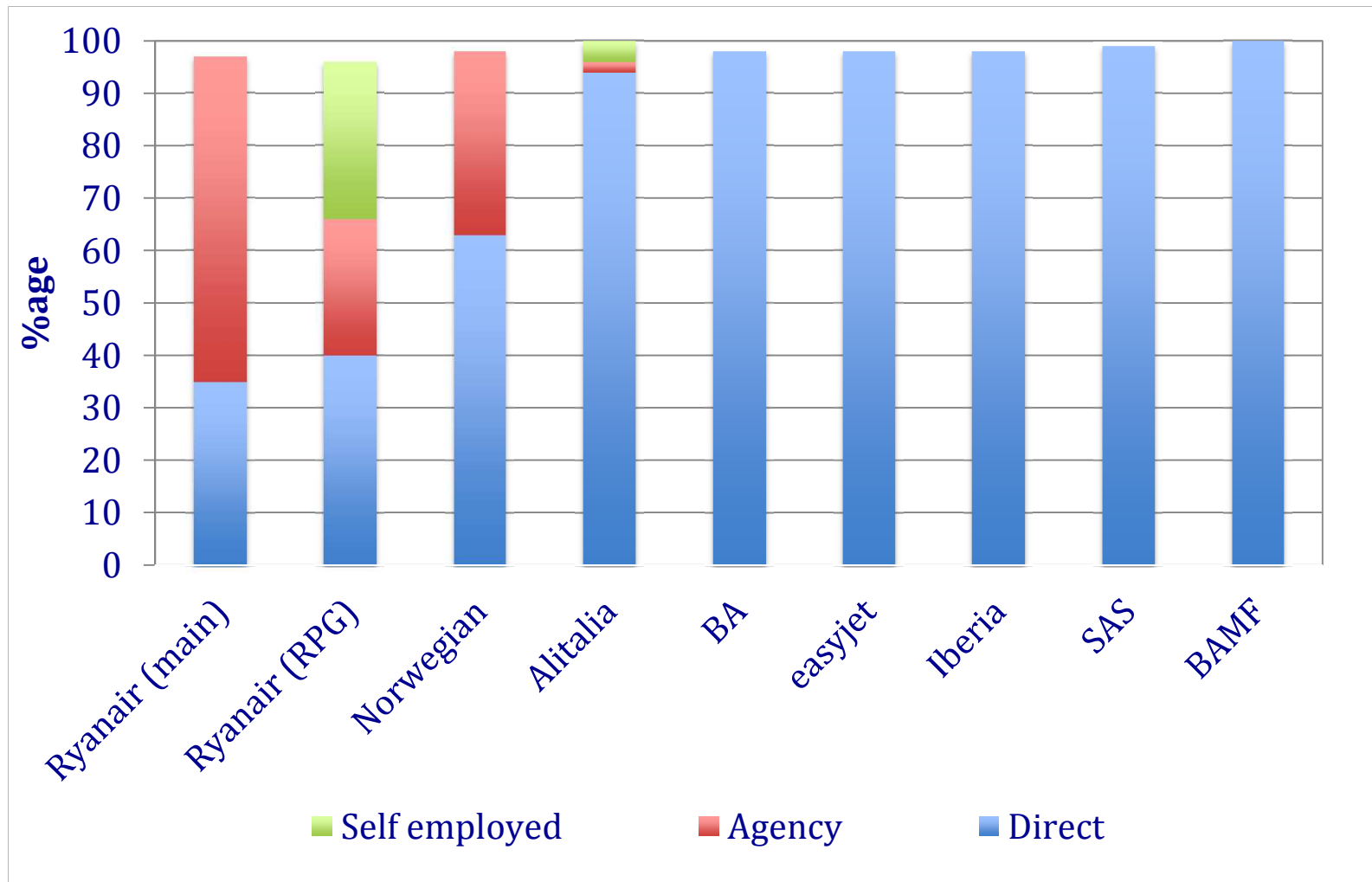
Employment through a temporary-work agency



Self-employed or sole proprietorship



Contractual relationship with airline



Source: Cardiff Business School

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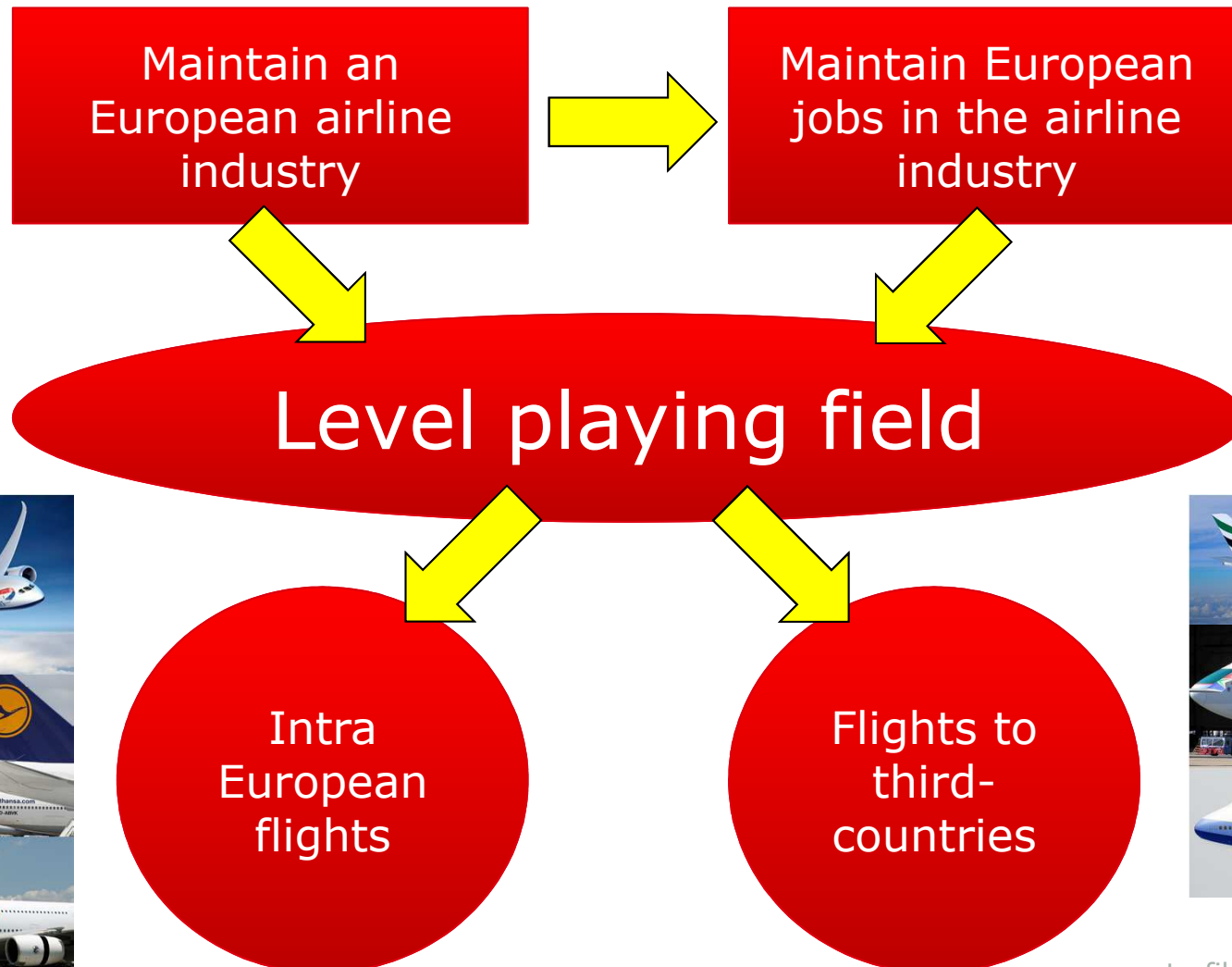
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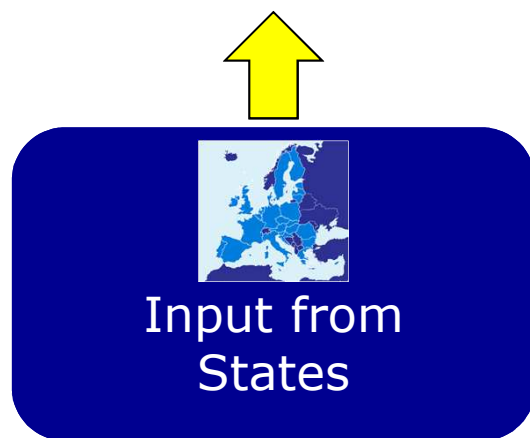
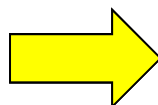
Transnational companies

- Subsidiaries in several Member States
- Increasing numbers of home bases
- Untraditional employment models

Challenges at EU level



Next step



Safety:

- EASA work on impact of new business models on safety regulation

Targeted Aviation Regulation:

- All employe's have social security within an EU State
- Uniform definition of employer
- Uniform definition of home base
- Strengthened oversight of working environment in aircrafts
- Community rules on the use of third country crews

Aviation Package:

- Fair competition with third country airlines



Reports



**Report of the working group
on "Social dumping" in avia-
tion"**

April 2014



**Report on Social
Dumping/Rule shopping in
aviation**

Status March 2015

"Social dumping" in aviation



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