

## Fair competition in air transport

### Challenge

The liberalization of the aviation market has created business opportunities for European companies operating within the EU and fierce competition among airlines to reduce operating costs. This has resulted in the emergence of new business and employment models.

While new forms of company organization, recruitment practices and terms of employment appear legitimate and in compliance with current EU regulations, there are examples of EU airlines employing unfair business practices exploiting unintentional differences in the implementation, application and administration by Member States of Union regulations. These practices can have a negative effect on fair competition between the airline companies, social and labour rights, wages, and overall employment standards within the aviation sector.

### Proposal

Steps must be taken at EU-level to secure a level playing field for companies and to ensure acceptable working conditions for people employed in the European aviation sector. Airlines should compete on innovation, quality and price rather than on the basis of 'rule shopping' and the exploitation of loopholes.

Legal certainty must be clearly articulated through provisions that ensure uniform interpretation and enforcement of the EU regulations on employers and employees in the aviation sector. It should be clear to employees in which EU Member State they are entitled to inter alia social security, which should moreover not be subject to frequent changes. There should be a clear and unambiguous definition of the concept of home base in the sense of employees belonging to one home base only. Furthermore, the working environment on board aircrafts in the EU should be made subject to uniform, standardized rules and supervision. Consequently, all aircraft in the EU should be subject to an oversight of the working environment on board the aircraft.

A way to address these issues could be as amendments to Regulation (EC) No 1008/2008 of the European Parliament and the Council of 24 September 2008 on common rules for the operation of air services in the Community.

### Background

Air transport regulations have been harmonised within the EU, guaranteeing that all operators, wherever they are located in the EU, have the same access to the air transport market. However, social protection and labour law remain primarily a responsibility of the Member States. This means that while all aviation staff benefit from the protection offered by EU law they may enjoy different rights and levels of protection depending on the national law that applies to them. This situation can be particularly challenging for aircrew due to the cross border nature of their jobs.

In March 2019, The European Commission published a report setting out a number of actions to further strengthen the social agenda in air transport. The report highlights the main opportunities and challenges faced by aircrews in Europe. It aims to improve legal certainty for aircrews by providing clarifications on their protection under EU law. Maintaining and promoting high social standards is also a top priority for the EU's Aviation Strategy and the European Pillar of Social Rights, adopted in 2017, which aims to ensure that existing social standards are fit for purpose in the 21st century labour market.