“Social dumping” in aviation

Keld Ludvigsen
Deputy Director General

DGAC-CSAC Conference 4 May 2015
Challenges at EU level

- Maintain an European airline industry
- Maintain European jobs in the airline industry

Level playing field

- Intra European flights
- Flights to third-countries
Development of civil aviation

Global norms in UN auspices
- Civil aviation is an international cross-border business
- The Chicago Convention of 1944
- A large degree 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

www.trafikstyrelsen.dk
Searching for new markets

Leading LCC route launchers
Most new routes launched: August 2012 to August 2013

- Ryanair: 203
- Norwegian: 65
- easyJet: 64
- Wizz Air: 64
- Southwest: 59
- Vueling: 59
- Volotea: 46
- Germanwings: 34
- Pegasus: 27
- SpiceJet: 27
- Monarch: 26
- Spirit Airlines: 26
- Allegiant Air: 25
- Indonesia AirAsia: 24
- Jet2.com: 23

Source: Cardiff Business School
Abandoning unprofitable routes

Leading LCC route "killers"
Most routes terminated: August 2012 to August 2013

- Ryanair: 125
- easyJet: 39
- Southwest: 34
- Wizz Air: 34
- Volotea: 25
- Allegiant Air: 22
- GOL: 21
- Germanwings: 16
- Transavia.com: 14
- VivaAerobus: 12
- Pegasus: 11
- Vueling: 11
- SpiceJet: 10
- Indonesia AirAsia: 9
- Norwegian: 9

Source: Cardiff Business School
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

**Virtual airlines**
- Outsourced ancillary services
- Greater flexibility
Atypical employment models

**Employment through a temporary-work agency**

- Temporary-work agency
  - *Pilot employed*
- Airline

**Self-employed or sole proprietorship**

- Self-employed
  - *Pilot employed*
- Employment/temporary-work agency
- Airline

www.trafikstyrelsen.dk
Contractual relationship with airline

Source: Cardiff Business School
Development of civil aviation

**Global norms in UN auspices**
- Civil aviation is an international cross-border business
- The Chicago Convention of 1944
- A large degree of freedoms
- Flag carriers/network carriers

**Virtual airlines**
- Outsourced ancillary services
- Greater flexibility

**Liberalization in the 90s**
- The EU internal market for civil aviation
- Point-to-point companies
- Increased competition
- Substantial growth
- Emerging convergence

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

www.trafikstyrelsen.dk
Challenges at EU level

Maintain an European airline industry

Maintain European jobs in the airline industry

Level playing field

Intra European flights

Flights to third-countries

www.trafikstyrelsen.dk
Next step

**Right of Initiative**

**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

**Safety:**
- EASA work on impact of new business models on safety regulation

**Aviation Package:**
- Fair competition with third country airlines
Reports

Report of the working group on "Social dumping" in aviation

April 2014

Report on Social Dumping/Rule shopping in aviation

Status March 2015
“Social dumping” in aviation

Keld Ludvigsen
Deputy Director General

DGAC-CSAC Conference 4 May 2015