



ECA
Piloting Safety

PRESS RELEASE

Brussels, 4 June 2015

European transport – an ugly social reality behind the façade

Competition may be fierce in the race to find profit, but without decent employment conditions and fair rules that work *in practice* a home-grown, contributory European transport industry will wither and die. With this message and concrete proposals on how to tackle the most pressing social issues in air transport, European pilots join today (4 June) the European Commission Conference [“A Social Agenda for Transport”](#).

“When it comes to social issues in European air transport, it is time that we deal with the reality of what actually happens in our sector”, says ECA President Capt. Dirk Polloczek, “And let’s admit it – this reality is ugly. Poor working conditions, growing unemployment, social dumping, a rapid increase of “atypical” employment, social and fiscal engineering and questionable company set-ups are a spreading disease.”

[Flags of convenience](#) – where airlines shop around for the most lenient labour and taxation law or oversight regime – are flaring up across Europe also in the air industry, in a process closely resembling the one that not so many years ago led to the failure of the European maritime sector.

In a race to the bottom, some airlines have started to go from “low cost employment” to “**no-cost employment**”, passing on their social security contributions and taxes onto the employees. In these so-called “[Pay-to-Fly](#)” ([P2F](#)) [schemes](#) the pilot is paying the airline to fly its aircraft and passengers. Such P2F schemes, as well as zero-hours contracts provide a perverse incentive for crews – financially penalising the key safety workers who have the final say on whether it is safe to fly if they do not operate the flight.

A recent [EU-funded study by the University of Ghent](#), revealed that 1 out of 6 European pilots is ‘**atypically**’ employed, i.e. working through a temporary work agency, as self-employed pilots, or on a zero-hours contract with no pay guaranteed (no flight = no pay). ‘**Self-employment**’ among pilots is overwhelmingly a status used to disguise what in reality is regular employment. Ghent University highlights that such problems are concentrated amongst young pilots and those flying for certain cut-price airlines: 40% of 20-30 year old pilots are flying without being directly employed by the airline, and 7 out of 10 of all self-employed pilots work for a low fares airline.

“Flags of Convenience, bogus self-employment & Pay-to-Fly are harmful practices that destroy jobs in Europe, carve out tax and social security payments in EU Member States, and force other airlines to follow the example if they don’t want to be wiped out of the market. Atypical employment should concern not only the industry, but all European citizens and decision-makers,” says ECA Vice-President Jon Horne, speaking at the EU Commission Conference today. “Whether looking at the ‘Place of Business’ that determines tax and regulation, employment status, or aircrew ‘Home Base’, current rules and loopholes permit unscrupulous operators to present on paper a smokescreen that obscures and bears little relation to what is actually going on. We must move to a situation where an assessment of reality governs how airlines and crews are handled.”

Among the **solutions proposed by ECA** are an immediate ban on Pay-to-Fly schemes and zero-hours contracts for air crews, and ensuring their genuine ‘Home Base’ is properly declared for them to derive their rights and applicable law from. A definitive halt on bogus self-employment and other forms of social engineering must top the European Commission’s ‘to do’ list. Last but not least, if EU transport is to remain European, Flags of Convenience must be eliminated by strengthening the ‘Principle Place of Business’ as a reality of establishment, not a choice of façade by the airline.

“We cannot and should not close our eyes to the failing ‘social dimension’ of transport policies in Europe,” says Dirk Polloczek. “Europe’s Social partners – airlines and air crews alike – have called for action for a long time and recent studies have provided the necessary empirical evidence. Now it is time to act and we are keen to discover the concrete proposals of DG MOVE and DG EMPL.”

For further information, please contact:

Dirk Polloczek, ECA President, Tel: +32 2 705 32 93

Jon Horne, ECA Vice-President, +32 2 705 32 93

Follow updates by @eu_cockpit on Twitter

Note to editors: ECA is the representative body of European pilot associations, representing over 38.000 pilots from across Europe. Website: www.eurocockpit.be