



Annex – ECI: Fair Transport Europe

Transport is a vital component of the European economy. The transport sector generates both growth and employment. It generates almost 5 per cent of European GDP and employs directly more than 11 million people – 5 per cent of EU total work force.

The internal market for transport is important to facilitate the free movement of goods and persons within the EU. The possible advantages of a well thought European transport area cannot be neglected: improved mobility, enhanced internal cohesion and increased international competitiveness of the EU, while ensuring the social and environmental sustainability of transport.

But the achievement of this must not be to the detriment of fair conditions for transport workers, the quality of transport services and the safety of passengers, workers and goods.

Since the start of the opening up of the transport markets in Europe, issues of social dumping and working conditions have become increasingly pertinent and have taken their place among the most politically controversial and debated issues - and rightly so. Problems of social dumping are dire and with real consequences – not only for transport workers, but also for the social cohesion of the EU.

Differences in labour market and social structures amongst the EU Member States remain significantly wide. This, together with the poor and ineffective national enforcement mechanisms of current EU legislation, allow widespread practices of unfair competition and social dumping. It has led to the proliferation of bogus self-employment, fraudulent posting, illicit agency work and similar practices.

Social dumping practices are not only a problem for workers. Law-abiding companies lose advantage to their competitors who practice social dumping, and national social protection and tax schemes are seriously undermined and circumvented.



In light of the above, we invite the Commission to:

- In the framework of the labour mobility package to be presented by the end of 2015, set up a working group with representatives from the recognised social partners in the transport sector to discuss measures to ensure the effective implementation of the Posting of Workers Directive 96/71/EC;
- Propose strong EU legislation to effectively prevent the creation of letter-box companies
- Expand control and enforcement mechanisms to ensure uniform implementation and enforcement of existing employment and social legislation in transport, including the 'Enforcement Directive' 2014/67/EU, for example:
 - o A European platform for all relevant monitoring and labour inspections
 - o The pursuit of a higher level of harmonization of sanctions and fines
 - o A Directive on minimum standards for labour inspection (based on ILO Convention 81)
- Propose rules to end abusive forms of precarious work (e.g.: zero hour contracts, bogus self-employment);
- Propose rules to establish joint and several liability in subcontracting chains;
- Amend Directive 2001/23/EC on transfers of undertakings in order to include change of ownership in case of mergers, take overs and public procurement and to clarify the concept of "economic entity" in a way to extend the benefits of the directive to workers in case of calls for tenders or partial loss of activity.
- Work for a broad recognition of a European definition of social dumping

"Social dumping occurs when businesses abuse free movement in the single market to undercut or evade existing labour standards and regulations, or take advantage of existing loopholes in the legislation, gaining an unfair competitive advantage over bonafide companies."