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ETF CONTRIBUTION TO THE CONSULTATION BY THE EUROPEAN COMMISSION ON THE EUROPEAN PILLAR OF SOCIAL RIGHTS

The European Transport Workers' Federation (ETF) welcomes the initiative by the European Commission to launch a broad consultation on the possible content of a European Pillar of Social Rights (EPSR). This consultation comes in a moment when the ETF is fully committed to fighting social dumping and promoting fair working conditions in the transport sector across the European Union, addressing the consequences of successive years of deregulation and liberalisation of the sector, increasing unfair treatment of the work force, non-compliance with existing regulations and abusive forms of employment due to the lack of proper inspection mechanisms and loopholes in the legislation.

The political landscape throughout Europe and not least the results of the 2014 elections for the European Parliament have proved a rising euro-scepticism, also reflected in the outcome of the British referendum. 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 cohesion of the EU. In many countries, social dumping is one of the main arguments used by euro-sceptic movements or political parties to underline the disadvantages of deeper integration of the internal market.

If these issues are not addressed appropriately and immediately, the result will be an even further strengthening of euro-scepticism.

The practice of cross-border social dumping is threatening the European cohesion and the well-functioning of the freedom of movement of labour and services. Every year migrant workers are employed in the construction, meat and transport sectors and many other activities with no social protection, deplorable wages and inhuman living conditions.

The European project is far from being socially coherent. The liberalisation process of the European transport market has not entailed the necessary convergence between increased competition and a parallel process of social harmonisation across EU



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member states in employment and working conditions. Due attention must be paid to ensuring that fair working conditions and social rights apply to all.

Differences in labour and social market structures amongst the EU countries remain significantly wide. This, together with the poor and ineffective national enforcement mechanisms of current EU legislation, has created loopholes in legislation that allow widespread practices of unfair competition and social dumping¹. This has led to practices 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.

Many of the labour related problems the ETF has identified in the transport sector can be addressed by transport related legislation and agents, where DG MOVE has a key role to play, but also a more general approach is needed to tackle problems which relate to a wider group of sectors and DG EMPL must take the lead.

It is in this context that the ETF fully endorses the contribution and proposals from the European Trade Union Confederation (ETUC) to this debate².

The ETF further considers that the contributions from the European Parliament, namely through the Report on Social Dumping in the EU from 16 September 2016 (Guillaume Balas Report) and the proposed text from the Committee on Employment and Social Affairs for a Report on the European Pillar of Social Rights (Maria João Rodrigues Report) point the right direction and address keys issues to which a European Pillar of Social Rights should provide the necessary answers.

In particular, the ETF would like to stress that the EPSR must:

- Apply to the whole of the European Union;
- Contain concrete action for enforcement of existing social rights, supporting upward convergence of rights, introducing rights for new sectors of the economy and the labour market, establishing/reinforcing social dialogue, collective bargaining and effective industrial relations at all levels. Control and enforcement mechanisms need to be expanded and made more efficient, and better cooperation between Member States must be ensured;

¹ Social dumping occurs when businesses abuse the opportunities offered by the free movement within the single market to undercut or evade existing labour standards and regulations, or to take unfair advantage of loopholes in the legislation, gaining competitive advantage over bona fide companies. Some employers hire the least protected workers with the cheapest salary and inferior working conditions to increase profit margins while preventing or reducing the collective representation of workers, geographically illustrated by the phenomenon of delocalisation/offshoring. At sectoral level social dumping is visible when employers reduce their personnel costs by using (agency) temporary workers, subcontracting, bogus self-employment, non-organised workers and precarious contracts, among others.

² <https://www.etuc.org/documents/etuc-position-european-pillar-social-rights-working-better-deal-all-workers>



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- Include a directive on fair working conditions for all forms of employment, ensuring for every worker a core set of enforceable rights including equal treatment, social protection, protection in case of dismissal, health and safety protection, provisions on working and rest time, freedom of association and representation, collective bargaining, collective action, access to training, and adequate information and consultation rights. This directive should apply to all workers, in all forms of employment, including non-standard forms such as fixed term work, part-time work, on-demand work, self-employment, crowd-working, internship or traineeship;
- Promote comprehensive and universally accessible social protection systems (particularly for pensions, minimum income schemes and care) based on both contributions and general taxation, via processes for upward convergence towards better standards and also integrative measures and frameworks to be introduced at the European level; include the creation of a European Social Security Card;
- Contain a clear strategy for public investment to support sustainable growth, notably in areas like infrastructure, innovation and research, industry policy, education and training, efficient public services, social investment;
- Contain a clear roadmap for legislative and other measures that are necessary for the full practical application of the EPSR.

A more detailed contribution from the ETF with concrete measures that can assist in eradicating social dumping practices in the EU, is contained in the ETF paper³ “Fair Transport Europe – ETF vision for the future of European transport”.

The ETF stresses its commitment to working with the European institutions, employers’ organisations and all those who want to strive for a fairer and progressive labour market, in the transport sector as well as in the wider spectrum, without which the European process will not succeed.

³http://www.fairtransporteurope.eu/application/files/8814/6477/7314/D150223_ETF_Vision_Paper_5_EN.pdf



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