



*European Economic and Social Committee*

**TEN/581**  
**Aviation Package I**

Brussels, 14 July 2016

**OPINION**

of the

European Economic and Social Committee

on the

**Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – An Aviation Strategy for Europe**

COM(2015) 598 final

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The Commission decided on 7 December 2015 to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on the

*Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – An Aviation Strategy for Europe*  
COM(2015) 598 final.

The Section for Transport, Energy, Infrastructure and the Information Society, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 21 June 2016.

At its 518th plenary session, held on 13 and 14 July 2016 (meeting of 14 July), the European Economic and Social Committee adopted the following opinion by 234 votes to 5 with 3 abstentions.

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## 1. **Conclusions and recommendations**

- 1.1 The overarching goal for the EU Aviation Strategy (as defined in COM(2015) 599 final) – hereafter called "the Strategy" – should be to improve investment climate to encourage more European investment in the EU aviation industry, increase competitiveness of the sector and its role for the economy, thus promoting overall economic growth and creation of new jobs.
- 1.2 The European Commission (the Commission) has rightly underlined the importance of aviation for the EU in terms of the growing need for mobility and connectivity, but also the importance of aviation for economic growth, as well as the number and quality of jobs it generates directly and indirectly. Tapping into the growth of global aviation is now rightly a priority of the EU players. The EU aviation should further look at the climate change challenges as opportunities for research and innovation.
- 1.3 The Strategy seeks to maintain high safety and security standards, reinforce the social agenda, create high-quality jobs in aviation and continue to protect passenger rights, but also to tackle the constraints on capacity in the air and on the ground, facilitate growth of the sector within Europe and internationally; promote innovation, multimodality as well as a forward looking climate change policy embedded in international consensus. However, the EESC encourages the European Commission to undertake further practical measures to prevent the negative effects on employment, as pointed out previously in opinion TEN/565 on Social dumping in the European civil aviation sector<sup>1</sup>, creating good quality jobs.

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<sup>1</sup> [OJ C 13, 15.1.2016, p. 110–115.](#)

- 1.4 In order to successfully implement these ambitious and comprehensive objectives, the Strategy needs to be based upon a "holistic" approach to aviation, which encompasses a new, deeper and multi-disciplinary evaluation of the sector. The EESC fully supports a holistic approach, which is necessary for further development of the aviation ecosystem.
- 1.5 The EESC commends the Commission for this political initiative; it places the multi-faceted role of aviation back on the political radar-screen, both within Europe and internationally, and it will sensitise regulators to the need for a broader review of the requirements of the aviation industry – not only from a regulatory and infrastructural, but also social, economic, and environmental perspective. The roles of aviation need more political acknowledgment and support, both at the EU and Member State level.
- 1.6 The EESC strongly insists that the Aviation Strategy is implemented on the basis of a constructive social dialogue. At EU level the EU institutions should consult the Sectorial Social Dialogue Committee for Civil Aviation on any initiatives which, concern the aviation sector. When those initiatives have social impact on employment conditions, the EESC suggests that a dialogue is established between the social partners. The EESC reiterates its views and recommendations from its Opinion on social dumping in the European civil aviation sector<sup>2</sup>.
- 1.7 The EESC endorses its recommendations concerning the Strategy, proposed in its latest Opinion on Integrated EU Aviation Policy<sup>3</sup>. The EESC is pleased that a number of proposals from this opinion concerning the internal market, as well as the international dimension of EU aviation and social dimension, were taken into account in the Commission document. The EESC maintains also its position expressed in other Committee opinions concerning EU aviation sector (including TEN/552 - Airport capacity in the EU, CCMI/125 - State aid airports and airlines, TEN/504 - Single European Sky II+). The EESC believes also, that they are equally relevant for EU of 27 as they were for EU of 28 Member States.
- 1.8 The Commission has developed several important regulatory initiatives for European aviation, including a review of the guidelines on state aid for airlines and airports, the introduction of an airport package, legislation to promote progress towards a Single European Sky (SES) a revision of the regulation against subsidisation and unfair pricing practices and many others. The implementation of all these policies and regulations is urgently necessary to ensure complete implementation of the Strategy by Member States. So is the continuation of the deployment of Single European Sky ATM Research (SESAR) – a very successful EU developed innovation project, as well as further implementation of the Clean Sky (Research programme to develop technologies to significantly increase the environmental performances

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<sup>2</sup> [OJ C 13, 15.1.2016, p. 110–115.](#)

<sup>3</sup> [OJ C 13, 15.1.2016, p. 169–175.](#)

of air transport). Necessary and well targeted EU financing should be supplemented by private funding and trigger horizontal cross-sectorial developments.

- 1.9 In the field of airlines, airports and ATC providers, the Strategy needs to provide clear orientation on how to secure future liberalisation whilst also ensuring a level playing field (fair competition). Consolidation can be promoted but only assuring a high level of reliable connectivity in all Member States.
- 1.10 The issue of fair competition also includes respect of workers' rights. Provisions similar to Article 17bis of the EU-US Air Transport Agreement must be included in the framework of negotiations with third countries. It is vital to have fairness and reciprocity, the highest and enforceable safety, security and social standards. Any agreements in the field of EU External Aviation Policy should seek to ensure that principles of the ILO are addressed and that mutually acceptable means of securing adherence are sought<sup>4</sup>.
- 1.11 The role of Member States, but also of other parts of the aviation value network, like manufacturers of aircraft, engines and their components, needs to be further addressed in the implementation of the Strategy. EU aviation must be able to benefit from connected digital aviation. It must fully and actively engage in 4.0 industrial revolution. For the EU civil aeronautical manufacturing industry the role and capacity of the European Aviation Safety Agency (EASA) is of strategic importance to maintaining competitiveness within the global civil aviation market.
- 1.12 EU aviation requires more clarity on how ownership and control provisions could be handled more flexibly on the basis of reciprocity, while ensuring harmonised application and enforcement throughout the EU and the continued compliance with Union law of such company controls. Within the EU, unparalleled anywhere else in the world, EU nationals can invest in the EU airlines with no restrictions on the percentage of the capital bought or on the degree and level of control over that airline. The question is then: why don't they invest?
- 1.13 The EESC acknowledges that the Commission must proceed diligently when seeking support for its proposals from the Member States and other stakeholders. Yet Commission political leadership is an absolute must. The respective tasks of the EASA and Eurocontrol should be defined in a manner that ensures that both organisations complement each other's tasks, so that overlaps can be avoided.
- 1.14 The EESC reiterates that it is prepared to fully support the Commission in its endeavour to drive the political debate on the best way to secure Europe's international aviation competitiveness, and to create and implement the necessary legislative and regulatory framework. The "BREXIT" discussion has invigorated the EESC to work even harder to contribute to further integration of EU aviation, which we need more than ever.

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<sup>4</sup> [OJ C 198, 10.7.2013, p. 51–55.](#)

- 1.15 Given its unique composition and expertise, the EESC is ideally positioned to inject into the political discussion the views of organised civil society concerning the political, social, economic and environmental consequences of regulatory initiatives in the field of aviation, about the most appropriate and balanced means to implement the Strategy. Thus the EESC decides to continuously follow the implementation of the Strategy by launching a separate project and allocating appropriate resources and expertise.
- 1.16 The EESC recommends that inclusion of stakeholders in the implementation of the Strategy should be accompanied by a structured and concrete explanation of the way in which the Strategy will be implemented. Next to an action plan listing which initiatives will be presented and when in the coming years, a "road map" is required to elaborate how the Commission will reach out to the stakeholders to secure such crucial engagement. Mobilisation of all aviation stakeholders acting together on implementation of the Strategy is challenging but necessary.

## 2. **Background**

- 2.1 The EU aviation sector directly employs between 1.4 million (Source: Steer Davies Gleave – *Study on employment and working conditions in air transport and airports*. Final Report, 2015) and 2 million people (Source: *Aviation: Benefits Beyond Borders*. Report prepared by Oxford Economics for ATAG, April 2014) and overall supports between 4.8 million and 5.5 million jobs (Source: Steer Davies Gleave – *Study on employment and working conditions in air transport and airports*. Final Report, 2015). The direct contribution of aviation to the EU GDP is EUR 110 billion, while the overall impact, including tourism, is as large as EUR 510 billion through the multiplier effect (Source: Steer Davies Gleave – *Study on employment and working conditions in air transport and airports*. Final Report, 2015). This clearly shows that the economic potential of aviation by far exceeds its direct impact.
- 2.2 However, it is critical to recognise the global climate impact, in terms of emissions, of the aviation sector. Any Aviation Strategy must look at the opportunities for the sector to become more sustainable, such as the use of innovative biofuels and new fuel mixes. Europe should seek through research and innovation to be a leader in this field.
- 2.3 In spite of the significant growth in the number of passengers carried by EU airlines, since 2008 employment has fallen at an annual rate of -2.2%, a steeper reduction than in the economy as a whole (-0.7% a year), while the number and types of "atypical jobs" (temporary and part-time contracts; agency workers; self-employment; zero-hour contracts; posted workers, "pay to work", etc.) have increased significantly.
- 2.4 Because aviation's contribution to the overall performance of the EU economy and its global presence is so significant, it is critical that the EU aviation sector remains competitive, maintains its global leadership position and is able to grow. In the past few decades, the EU

aviation sector has been an example - also for other EU industries - of how reforms can result in more benefits to European citizens, employees, businesses and environment.

- 2.5 The EESC has been fully engaged in EU aviation policies and legislation through the adoption of a number of opinions and by undertaking stakeholder events and public hearings. The Committee has proposed a number of concrete proposals concerning various elements of EU aviation value network, its organisation and performance – including strong support for comprehensive social dialogue<sup>5</sup> (the Committee called, inter alia, for improvements in implementation of the aviation regulations in Europe, for creation of a true level playing field for all parts of the aviation value chain and for fast and courageous actions to address the upcoming capacity crunch).
- 2.6 A robust, comprehensive, market-oriented and sustainable EU aviation strategy was urgently called for by many European stakeholders – including the EESC. In its latest opinion on Integrated EU Aviation Policy<sup>6</sup> the Committee has identified six factors that determine the level of competitiveness of European aviation: safety; economic, social and environmental sustainability; competitiveness through innovation; the social dimension; operational excellence; and connectivity<sup>7</sup>. The EESC fully endorses its recommendations concerning the Strategy, which are proposed in this opinion.
- 2.7 Strong political will, vision and courage are required to balance the requirements of sovereignty with the need for compromise at EU level. This is now – after referendum in UK – even more relevant than ever. Economically, the strategy should have as its direction and goal to drive investments, economic prosperity and sustainable growth across Europe. Legally, the framework should be robust at macro level and provide for planning stability at micro level. This stability should encourage European investors to target more investment in the EU aviation sector. Furthermore, EU investors should get more access to international growth markets on the basis of reciprocity.
- 2.8 In 2014 European Parliamentary Research Service concluded, that the total cost of non-Europe for aviation is about EUR 3 400 million per year during the next 20 years. In the absence of a clear strategy and its implementation, the EU aviation sector would miss growth opportunities internationally, and lose competitive clout. Growth must become sustainable by ensuring, that the conditions for competition are fair. If, however, the Strategy is designed to achieve a vision with the appropriate tools, its successful implementation will depend upon the broad support of all stakeholders, and in particular the Member States.
- 2.9 The Strategy is based on a "holistic" approach to aviation because it recognises the important societal role of aviation: aviation provides for connectivity of regions, mobility of passengers

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<sup>5</sup> [OJ C 230, 14.7.2015, p. 17–23](#), [OJ C 451, 16.12.2014, p. 123–126](#), [OJ C 170, 5.6.2014, p. 116–122](#)

<sup>6</sup> [OJ C 13, 15.1.2016, p. 169–175](#).

<sup>7</sup> [OJ C 13, 15.1.2016, p. 169–175](#).

and cargo, as well as benefits for economies and technological innovation to mitigate its effects on climate change; aviation therefore provides for economic, environmental and social sustainability. The EESC fully supports such an approach.

### 3. **Aviation as growth generator**

- 3.1 Over time individual subsectors of aviation have grown into multi-billion euro businesses, which operate and compete in different markets and which form together a network of interdependent value-creation companies. The Strategy - alongside its implementation - should further identify the strengths, weaknesses and the job creation abilities of each part of the value network and promote their respective strengths, so as to provide an optimum framework within which the subsectors can individually and jointly contribute to economic growth and prosperity.
- 3.2 The broader holistic approach to aviation is about going beyond the challenges facing airlines and airports, and address challenges of all parts of the value network. Member States expect improved, safe, reliable and profitable connectivity to smaller peripheral markets for trade and tourism; manufacturers of aircraft, engines and their components expect favourable conditions for investments in plants and R&D; airlines and aviation service operators expect to be able to attract investors and operate in increasingly liberalised markets and conditions which secure sustainable levels of healthy competition. Quality of the employment conditions, including training, and the rights of passengers should be respected.
- 3.3 The Commission has rightly identified the key areas in need of regulatory attention, notably with respect to the Single European Sky, the requirement for comprehensive mandates for international negotiations to secure growth, and fair competition within the EU as well as global markets. The Commission has also correctly underlined the need to secure international standards and norms, which will provide for high levels of safety and security, and mitigate the climate change effects of aviation. To support worldwide trade of EU aviation related products, the EU bilateral aviation safety agreements should also aim at achieving mutual recognition of safety certification standards.
- 3.4 All parts of the aviation value network depend upon a political climate, which encourages investments. Given their high fixed costs, airlines and airports furthermore require a regulatory framework, which enables planning stability. Several regulatory issues are currently being discussed within the EU institutions and at national level; they all need clear guidance from the Commission, and because of their relevance are included in the implementation of the Strategy<sup>8</sup>.

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The EESC would therefore reiterate its opinions [OJ C 241, 7.10.2002, p. 29–33](#), [SOC/531 on Fairer labour mobility within the EU](#) and [OJ C 13, 15.1.2016, p. 110–115](#).

- 3.4.1 Refinement, application and reinforcement of the ownership and control provisions is of key importance (standard wording in bilateral air service agreements, as well as EU-specific provisions of Regulation 1008/2008). They constitute an essential pillar of international air service agreements - without these provisions, the contracting parties could not deliver on the agreed reciprocal rights. The Commission's suggested "interpretative guidelines" may not be sufficient as a tool to resolve systemic issues and differences in application, legal certainty and "effectiveness" of the provisions. Clear orientation is required in the EU airline sector, which is facing significant consolidation. In the wake of the growing economic macro-relevance of airline activity, as well as the discrepant profitability of individual airlines, they have become of increasing interest to international investment funds as well as strategic investors. Consolidation must not come at the expense of connectivity especially at regional level.
- 3.4.2 The issue of fair competition also includes respect of workers' rights. Provisions similar to Article 17bis of the EU-US Air Transport Agreement must be included in the framework of negotiations with third countries. It is vital to have fairness and reciprocity, the highest safety, security and social standards. Any agreements in the field of EU External Aviation Policy should seek to ensure that principles of the ILO are addressed and that mutually acceptable means of securing adherence are sought<sup>9</sup>.
- 3.4.3 The EESC urges the Commission to facilitate social dialogue agreements to prevent social dumping and obstacles to the Internal Market. Even the smallest industrial action in aviation can affect a large number of flights, passengers and companies dependent on tourism and trade. This must be addressed, if the Commission is to meet the expectations when developing a "holistic" approach to aviation.
- 3.4.4 Drone technology is an issue of significant importance and in need of deeper analysis in the Strategy. The issue is no longer simply the hardware (i.e., the size and operational specs of drones) but the software and the potential of drone technology. EESC welcomes the work already being undertaken by EASA in this field. However, in the light of regulatory initiatives in other regions of the world, EU influence in this field of innovation will be necessary to ensure that Europe does not lose the clout to drive this innovative technology and influence international norms and standards. Safety and security of drone operations is of utmost urgency.
- 3.4.5 The Commission has rightly identified implementation of SES as key, and reiterates the need to adopt and implement SES 2. A single air space management regime for the EU is in the best interest of the EU citizens and consumers, the environment and overall European aviation competitiveness. Further, deeper analysis is required to assess why progress has been relatively slow. Functional Airspace Blocks (FABs) in particular have largely failed to deliver on expectations. A comprehensive outreach plan would be required to ensure intense, frank

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<sup>9</sup> [OJ C 198, 10.7.2013, p. 51–55.](#)



and honest discussions with Member States and Air Navigation Service Providers (ANSPs) and customised proposals for individual Member States to assist them in overcoming prevalent concerns and hurdles when modernising their respective air traffic management organisations. The EESC is convinced that by integrating employees in further deliberations and implementation, the concerns raised by social partners can be properly addressed. Furthermore, SESAR, as the technological pillar of SES, can effectively support further EU ATM integration by creating new common technological applications. The Network Manager shall further develop an integrated European route network design for the safe and efficient operations of ATC.

3.4.6 It is essential that airports are fully considered and included towards completing a comprehensive EU transport network, making sure that airports are well connected to other modes of transport. Multimodality is the key. ICT and digital solutions can also help to make the EU aviation sector more efficient, promoting multimodality and sustainability.

3.5 Aeronautic manufacturers compete in a global market for sales. Industrial revolution 4.0 creates outstanding opportunities for EU aeronautic manufacturing industry. Full synergy of various EU policies in this field must be analysed and realised. These manufacturers invest in production plants across Europe and the whole globe. If the entire impact of aviation on growth is to be assessed, the importance of certification of the manufacturers by EASA, as well as economic analyses cannot be underestimated, given the significant size of these companies and the fact that they compete on a global scale.

3.6 The Strategy is built on European standards and with concerted and co-ordinated negotiations should strive to seek their acceptance by third countries. The EU has already established the architecture to implement and further develop the EU-US Air Transport Agreement. The provisions contained there enable both parties to further develop consensus on enhancing, jointly implementing and even extending these standards to third countries. The Strategy should therefore seek to use instruments, such as the EU-US Joint Committee, as a means of establishing a shared understanding with other like-minded nations across the world that sustainable aviation depends upon respect for basic values. The EU and the USA could take a leading role in establishing global standards (including SESAR/NextGen). EU and US still have a chance to jointly lead global aviation.

3.7 The success of European aviation also depends on the skills and qualifications of its employees. Therefore, measures should be adopted to increase the attractiveness of this sector and prevent a skilled workforce from leaving the sector or looking for work in other parts of the world.

#### 4. **Implementing Aviation strategy – managing the change**

4.1 The EESC acknowledges that the EU Commission must proceed diligently when seeking support for its proposals from the Member States and other stakeholders. Yet Commission

political leadership is an absolute must. Such a clear commitment is necessary to enable the potential of the European aviation sector to be unleashed, whilst at the same time respecting the need of Member States to ensure reliable and safe connectivity, and also reassuring the social partners that they will continue to be involved in the development and implementation of the necessary legislative measures.

- 4.2 In its Communication the Commission has addressed several issues, which will become the subject of regulatory initiatives, and it reiterated that it would be seeking engagement from all parties concerned. However, next to an action plan listing which initiatives will be presented and when in the coming years, a road map is required to detail how the Commission will reach out to the stakeholders and to the general public to secure such crucial "buy-in".
- 4.3 The Commission has rightly mentioned the need to strengthen social dialogue in the sector. Pressure on the workforce in the aviation sector is intense. Under such conditions, a social dialogue is of primary importance to engage the social partners in the process and to secure their involvement. The issue in need of clarification is how the Commission expects to structure a social dialogue on issues derived from its holistic approach.
- 4.4 There is need to further clarify the labour law and social security applicable to highly mobile workers in civil aviation; there are significant loopholes in the social protection of European aircrew due to the lack of clarity of the legislation. There is a need to amend the existing legal rules and align both technical legislation and social security legislation.
- 4.5 Implementation of any legislative measures must be in the context of climate change. The development of an aviation strategy cannot take place in isolation of the need to urgently address at the global level the associated costs, (in economic, environmental and social terms) of the many effects of climate change. The EU aviation should further look at greenhouse gas emissions challenges as opportunities for research and innovation.
- 4.6 Information on the Strategy and its implementation needs to be delivered on a continuous basis. Well-targeted information events with stakeholders need to be organised regularly.
- 4.7 The general approach of the Commission towards aviation should furthermore be expressed as a matter of priority and consistency in the dialogue with Member States. In some cases, the primary problem appears to be the lack of understanding at national level of the true needs of the aviation sector. The Commission should consider more actively supporting the aviation sector at national level in discussions with Member States.
- 4.8 EESC calls again upon all aviation stakeholders to get actively engaged into further work on implementation of the Strategy. Strong, sustainable aviation sector is in the best interest of all and we must not miss the opportunity created by the Strategy.

Brussels, 14 July 2016.

The President  
of the  
European Economic and Social Committee

Georges Dassis

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