



Safeguards for Liberalization of Market Access: What Safeguards? The views of Aviation Workers

ICAO Air Transport Symposium (IATS/4)

International Transport Workers' Federation

8-10 May 2019

Paradise City, Incheon, Republic of Korea



The resilience of the Chicago regime

The the Chicago Convention has served the aviation community well over the years.

The bilateral regime,

- has shielded the industry from flags of convenience (FOCs)
- has protected the industry from free riders
- the level of safety and security improved significantly
- the requirement for “equality of opportunity” has safeguarded connectivity



The optimal path to liberalisation

The main urge for change mainly comes from,

- technological change
- demand for increased connectivity
- the need for access to international capital markets

The question is how to do this without risking the benefits of the Chicago regime, but instead capitalising on and magnifying them.



The vision of aviation unions

We have four key and clear objectives:

- Economic stability, sustainability and orderly growth for our industry,
- The right of all nations and stakeholders to shape their air services,
- Maintenance of an effective link between safety and economic regulation,
- Smart regulation in a changing industry.



Lessons of the last 40 years

Although unprecedented growth in labour productivity:

-liberalization has done little to strengthen or stabilise aviation enterprises over the long term.

In relation to air carriers, liberalization has not improved profitability.

Aviation workers: one of the primary shock absorbers for managing the business cycle.



Access to international capital markets

Change due to technological developments is inevitable.

Investment is certainly an issue for many carriers
also a very real concern for many aviation workers.

Many carriers are listed in national stock markets

the principal problems of market capitalisation come from poor share
and dividend performance.

The lack of investor confidence inhibits access to such capital.



Challenges and threats

Replacing hundreds of bilateral agreements with a multilateral agreement without safeguards could open the floodgates to:

- FOCs and extreme forms of social dumping (ITF is familiar)
- rapid consolidation (with hardly any consumer friendly outcomes),
- an expansion of “free rider” problem,
- loss of the right of all states to participate in the provision and management of their air services (contradiction with the aims of NCLB initiative).

Safeguards cannot be left to be dealt later on.



Five fundamental regulatory issues

- A clear definition of aviation FOCs needs to be agreed on,
- Proper fair competition provisions,
- An effective labour clause,
- Effective principle place of business and ownership and control provisions, with clear definitions,
- Environmental safeguards.



Danger of flags of convenience

- We need to be aware of the bitter maritime experience with FOCs
- The aviation FOCs are seen as a real and serious threat by many stakeholders
- Aviation FOCs are constituting an immediate threat
- MLC 2006 under the umbrella of ILO in close cooperation with IMO
- MLC 2006 [Bill of Rights] after six decades as a partial solution



Active involvement of the ILO

The involvement of the International Labour Organization's (ILO) and a close cooperation with ICAO is essential.

ILO has a wealth of expertise in the field of labour standards in trade and investment arrangements.

ICAO's strategic objectives directly impact people employed in aviation.

And if we focus on market access, air carrier ownership and fair competition, these issues are even more pertinent for ILO constituents.



ILO Global Dialogue Forum

...on the Effects of the Global Economic Crisis on the Civil Aviation Industry (2013)

Participants: Governments, unions, ICAO, IATA, IFALPA, IFATCA

Conclusion: A sustainable civil aviation industry with decent and productive work is a common goal for governments, employers and workers in the interest of customers and society as a whole. To achieve that goal, the industry needs a sustainable workforce, sustainable enterprises and a balanced value chain.



Conclusions

We need confidence in a more solid industry

Aviation workers have already been main shock absorbers

Change needed cannot be borne mainly by workers again

Proper consideration of labour leads to worker retention (NGAP)

We need to be proactive and not reactive as the Maritime

There is a need to agree among Governments, ICAO, ILO and worker representatives in a series of tools that could strengthen our industry without risking what we've achieved

