

SPEECH Commission conference - a Social Agenda for Transport

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Dear Commissioners,
Ministers,
Colleagues,
Ladies and gentlemen,

I wish to warmly thank the Commission for taking this initiative today.

Freedom of movement is a fundamental cornerstone of the European Union. This right of mobility needs to be fair in order to work. Fair for our businesses, fair for our employees and fair for our consumers.

The financial crisis has put workers and workers' rights under severe pressure in many countries. In some Member states a large and sometimes dramatic deregulation of labour markets and social protection systems, has led to a weakening of trade unions, increasingly precarious employment relationships, insecurity and high unemployment, increased poverty and social unrest.

Regrettably, these developments lead to a rejection of Europe and European values, calls for closed borders and restrictions of movement, xenophobia and tensions in society, in particular against minorities. We saw this result not least in the last European elections, where an increasing number of our citizens - in frustration - turned to populist and nationalist parties.

Therefore, now perhaps more than ever, we need a strong social Europe. The EU's social model, which has been a strong foundation for progress during decades, is starting to crack - either through crisis and austerity measures, or through the introduction of EU economic freedoms carrying a heavier weight in judicial terms when coming into conflict with fundamental social rights.

Today, the road transport sector in many Member States bears witness of major problems with unfair competition. EU rules are being misused by companies to compete with lower taxes, wages and working standards, on a permanent basis in countries with higher wages and working conditions. At the same time, employees are forced to work under unacceptable conditions, while unscrupulous entrepreneurs with lower staff costs outcompete those who follow the rules. Moreover, the necessary environmental investments - that must happen today if we want to reach our climate targets - fail to become reality because of this crooked hunt for lower costs.

One of my strongest personal memories from the EU election campaign last year is a phone call from a priest in Sweden. She called me to express her despair over the social emergency at the large parking lot outside her town.

There stood rows of trucks, awaiting new orders. Meanwhile, the drivers lived in these trucks. They had no collective agreements or other employment protection, so they did not get paid for the time that they were standing still.

As a consequence, the drivers had difficulties with both food and hygiene. Without homes they were forced to protect themselves against the Swedish winter by using a small kerosene stove. To have the engine running meant fuel costs that they could not afford. This is unworthy, both for Sweden and for the

EU of today.

Both the EU and the Member States must step up efforts to control what is happening on our roads. All Member States have different preconditions for this. One thing is clear however - as transport is such a cross-border sector, Member State regulation will not be enough.

When companies make use of their freedom of movement, it does not only open up new business possibilities. If we as politicians fail to make use of our responsibility to also legislate, and cooperate cross border on enforcement of those laws - it will open up for unserious actors circumventing national labour law, taxes and collective agreements.

In this context I wish to say a few words also on the aviation sector. Recently, I learned about a company, that repeatedly, and following trade unions and workers' demand for social security and collective agreements, simply replied with moving to another Member State. This, of course, not only becomes very convenient for the company in question - it also very effectively undermines fundamental social rights like the right to collective bargaining and the right to strike. It's a behavior unfamiliar to the social Europe I know - and a push back of workers' rights more than 100 years in time.

The increasing amount of conflicts seen in the aviation sector today, I believe is a symptom of all these things combined; unfair competition, which in turn force all airlines to lower their employment standards in order to stay in the air.

Recently, the University of Ghent presented a report of almost 300 pages, revealing that in civil aviation in the EU, atypical employment and precarious contracts have become the norm, instead of the exception.

Most importantly however, this study reveals that there is a clear link between atypical employment and air safety. Pilots under 'pay-to-fly' schemes, hired fixed term, or as self-employed, naturally become more hesitant to put a plane on the ground, or complain one too many times about safety. They know that their contract might not be prolonged if they are 'too difficult' in the eyes of their employers. I believe the same can be applied to road transport.

Freedom of movement will only benefit our society if it is allowed in a setting which is fair for all, workers and companies alike. Fair competition is as vital for companies as fair working conditions are for our employees. And the two go hand in hand since, if one company starts competing by means of lower working standards, another must follow in order to keep up. Should we enter into such a race, the only way is down.

I instead want us to go upwards. I want to see a Europe that competes with the best skills and latest innovations, with sustainable and new green technology.

The transport sector should be no different.

Ensuring fair mobility is not about establishing new obstacles for freedom of movement. I want to make it very clear that I do not stand behind those who call for restrictions and closed borders.

High labour law and social standards have a crucial role to play in rebalancing economies, supporting incomes, and encouraging investment in capacities. The protection of the freedom of association and the right to collective bargaining, including the right to take industrial action, must be enhanced in the EU, also to create the growth and jobs we so much need.

Friends, we are standing at a crossroad - between a choice of fair conditions and quality jobs - or a downward spiral of competition with lower wages and dangerous working environments.

My vision of the EU is a Union that can take the leadership towards full employment, with sustainable development as an overarching goal. The internal market must never be allowed to put downward pressure on wages or workers' rights. We need a Union that can guarantee order, safety and fair play on the labour market, as well as guaranteeing fair competition for our industries and companies in Europe.

Thank you.