

MAKING THE GREEN DEAL A WORKERS' DEAL!

ETF policy recommendations
for a sustainable land transport



Based on the findings of the road, rail and urban public transport reports commissioned within the frame of the project
"Strengthening the capacity of workers' organisations
to address social challenges in land transport in Europe"

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Report in the context of the ETF (European Transport Workers' Federation) project "Strengthening the capacity of workers' organisations to address social challenges in land transport in Europe"

December 2023

Introduction

In 2019 the European Commission adopted its Green Deal policy and committed itself to a 90% reduction in transport emissions by 2050, as well as to shifting a substantial part of the 75% of inland freight that is carried by road to transport by rail and inland waterways. One year later, in its Smart and Sustainable Mobility Strategy, the Commission went further in setting goals and objectives: rail freight traffic is supposed to increase by 50% by 2030 and to double by 2050. The Strategy also acknowledges that great opportunities for better quality of life and for high-quality jobs will emerge from the transition to green transport. It also recognises that “the sustainable and smart transition will not be possible without the support and buy-in of transport workers”. At the same time, it admits that the transport sectors are facing a critical labour shortage, and “suffer from harsh working conditions”.

“Precarious working conditions, including long working hours, periods spent away from home and low paid work, are exacerbated by a lack of respect for, and proper enforcement of, applicable labour standards. Providing higher social standards would contribute directly to reversing the current general lack of attractiveness of the sector. The workforce is rapidly ageing and significant shortages of labour force are already very visible in certain occupations. The issues faced by the transport workers have been exacerbated by the COVID-19 pandemic. This situation risks deteriorating further if no action is taken.” (European

Commission's “Sustainable and Smart Mobility Strategy – putting European transport on track for the future”)

In line with the EC's prediction, today, road, rail and urban public transport are all struggling with what is alleged to be an unprecedented labour shortage, but should better be described as a shortage of job vacancies offering decent pay and conditions. So far however, no policy action has been taken to reverse this trend. Jobs in transport fail to meet the basic expectations of today's job seekers. Work schedules are unpredictable and disruptive to family and social life. A new post-COVID wave of violence by members of the public towards transport workers has hit sectors such as rail passenger and urban public transport, causing even more front-line workers to leave their jobs. Having to sleep in trucks, or having to worry about being transferred from public to private operators with a significant worsening of pay and conditions, have had a negative impact on job and personal security. Today's job seekers are no longer prepared to take these risks.

Europe is also far from meeting its climate goals. There is little, if any, hope that rail freight traffic can increase by 50% in the next seven years. Freight volumes transported by road continue to increase, as road transport continues to engage in wage dumping and therefore remains cheap.

Indeed, even though road transport is one of the best regulated sectors in Europe, the inci-

dence of social dumping practices continues to soar, and these now particularly target third-country nationals – a highly vulnerable segment of drivers whose wellbeing depends heavily on their employment status. At the same time, regrettably, some large rail freight operators are facing investigations concerning alleged breaches of EU rules on state aid and are at risk of being closed down. This will result in job losses, as well as a loss of market share for rail, as private rail freight operators will most likely not have the same coverage as the former companies, and road transport will probably take over most of what is left.

In passenger transport, Europe's fixation on treating public transport primarily as a means of making profit has proven counterproductive. Liberalisation has pushed municipal and government authorities into costly and time-consuming tendering procedures that put off potential bidders. Liberalisation has also labelled public investment in safe operation as "illicit state aid". In rail transport, liberalisation is forcing member states to shut down companies, and to cut jobs, while continuing to cover the bill for infrastructure maintenance – an unfair deal for workers, for the public and for national administrations too.

Parallel to the changes faced by the traditional transport sectors, platform work is gaining ground across Europe, and it comes with casualisation of work, externalisation of social costs and a general rise of precariousness. Multiple court cases in Europe and beyond have proven that the model used by platform companies has nothing to do with 'independence' and 'flexibility' for the workers. Lack of a strong EU legal frame limits

tremendously trade union initiatives to organise, negotiate labour agreements, set up European works' councils. Adopting a strong EU directive to regulate platform work is our call to the EU Institutions.

To establish the facts, the ETF has undertaken and published three reports addressing sector-specific challenges in land transport. They provide the basis to the herein policy recommendations.

Ahead of the adoption, next summer, of the European Commission priorities for the new term of office, the European Transport Workers' Federation is putting forward a set of proposals on how the EC could turn an intangible Green Deal, into a deal that is socially and economically sustainable. In a nutshell, this would entail:

- recognising passenger transport by rail and road as a service in the public interest
- stopping any further liberalisation measures while encouraging investment in the quality of service, and of jobs
- revising the state-aid rules for rail freight and passenger transport, with the view to allowing member states to support this sector financially
- taking action to ensure better enforcement of the EU rules in road transport, while taking clear measures against exploitation of professional drivers, which particularly affects third-country nationals.

Climate-friendly transport – a true Green Deal having transport workers at its core – can only be achieved via the social sustainability of the transport sectors, and its business models.

2.

ETF policy recommendations for urban public transport

Current trends in urban public transport (UPT) are shaped by such factors as increased competition, a focus on climate change, and the need for sustainable solutions. Various mobility services, including traditional public transport, ride-hailing, and shared mobility solutions, are reshaping the urban transport landscape. At the same time, challenges such as a shortage of personnel, especially drivers, and difficulty in attracting women to the sector, persist. Adequate funding is crucial for the successful implementation of sustainable solutions and good working conditions.

In short, the creation of a sustainable, efficient and inclusive public transport system, benefitting workers and passengers alike, requires the following:

- the treatment of UPT as a public good and an essential right, prioritising public ownership, and favouring direct awards to public operators in tendering processes
- the promotion of quality, accessibility, and safety in UPT through defined, harmonised standards, service quality benchmarks, and efficient, climate-friendly transport policies
- investment in high-quality public transport, with a focus on climate-friendly solutions, workforce development, and transparent financing mechanisms
- the improvement of working conditions by establishing high standards, promoting social dialogue, and providing clear guidelines for PSO regulations
- the involvement of stakeholders and the strengthening of solidarity through the democratic development of EU regulations, with sectoral consultation and social dialogue, and by engaging trade unions in funding decisions.



2.

1. Summary of recommendations

1.1 Treat UPT as a public good

EU institutions should:

- promote comprehensive public transport policies that prioritise public ownership as being key to achieving social, environmental and economic sustainability
- conduct research on public management and the relative benefits of various ownership models in UPT.

The EC should:

- revisit and adapt PSO regulations to clearly favour direct awards.

National governments should:

- maintain and promote the possibility of direct awards in national law, and establish a legal framework ensuring accurate interpretation of tendering and related criteria, to promote high social standards
- implement national transport policies that promote public operation and emphasise that UPT is a public good and a universal right.

Local authorities should:

- focus on making direct awards to public operators and encourage the transition from private to public operation
- adapt governance for the integration of new forms of mobility into public transport

- regulate on-demand and ride-hailing services to complement, and not to undermine, the quality of UPT, and to put shared mobility services under public control where possible
- keep zero-emissions bus infrastructure (charging and maintenance) in public ownership for cost efficiency and network benefits.

Companies should:

- commit themselves to employing enough staff to maintain safe, high-quality services for workers and passengers.

1.2. Promote high quality, accessible and safe public transport

EU institutions should:

- establish a service quality benchmark for EU-funded urban transport projects.

National governments should:

- prioritise integrated, accessible, and safe, zero-emissions public transport, especially in rural areas
- enforce zero-emissions targets and safety and regulatory standards for UPT and new forms of mobility
- eliminate accessibility barriers and use affordable fares to make public transport more inclusive
- encourage long-term service and investment planning with all stakeholders

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Local authorities should:

- include service quality, sustainability and employment standards in the criteria for contract awards
- demand an advance calculation of staff costs from tender bidders before awards are made, to ensure that budgets are sufficient to uphold operational quality, as well as continuous training of staff during the entire contract period.

Companies should:

- maintain a well-trained workforce, align driver numbers with service needs, and evaluate social outcomes
- collaborate with local authorities in developing solutions that ensure access to public transport in rural areas.

1.3. Invest in high quality public transport

EU institutions should:

- prioritise funding for zero-emissions public transport that protects social standards.

National governments should:

- increase funding for public transport with a focus on long-term stability, sustainability and accessibility for disadvantaged groups
- involve local and regional authorities in developing and implementing a national UPT policy that guarantees sufficient, sustainable and fair

funding, and in co-ordinating the purchasing of buses and rolling stock to ensure economies of scale, and to help smaller cities

- use economic stimulus plans to increase funding for public transport, potentially reallocating resources from road projects, to ensure sustainability
- involve trade unions in decision making that affects funding and sustainable urban mobility.

Local authorities should:

- encourage long-term planning with consideration of future as well as current service needs, while involving stakeholders in service planning and budgeting
- collaborate with higher-level governments to create clear financing mechanisms, and to explore sustainable funding models that establish fair fare policies for all.

Companies should:

- ensure workforce training and the maintenance of good working conditions when introducing technology or modernising the fleet
- invest in sustainability, safety and customer experience while involving workers in zero emission implementation plans

1.4. Improve working conditions

EU institutions should:

- promote, and allocate adequate means to, European social dialogue

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- provide clear guidelines for the safeguarding of employment terms and conditions in the context of staff transfers.

National governments should:

- ensure good quality working conditions, and guarantee fair pay and job retention, as well as the maintenance of social conditions during operator changes
- regulate private and public operators, monitor the enforcement of existing laws and involve trade unions in negotiations for uniform standards
- consider the impact of new technologies on working conditions, and undertake social impact assessments to mitigate any negative effects.

Local authorities should:

- engage stakeholders, including trade unions, early in the process of developing contract design and criteria, to improve transparency in tender procedures and to ensure that all concerns are dealt with
- integrate relevant social requirements into contracts, using exclusion criteria and pre-award evaluations. While ensuring that all criteria are also applied to subcontractors
- ensure that sectoral agreements implement family-friendly schedules, uphold work-life balance, maintain parity for subcontracted workers, and tackle safety concerns.

Companies should:

- prioritise fair wages, safety measures, and inclusivity, and invest in worker training
- fully pay for the education and training of their drivers (including the cost of the driver's licence) to reduce cost barriers in the sector
- accept responsibility for bearing sickness-related costs, including psychological support and legal fees
- involve employee representatives in decision making and adhere to relevant collective bargaining agreements for the improvement of working conditions

1.5. Involve stakeholders and strengthen solidarity

EU institutions should:

- facilitate a greater role for social dialogue

National governments should:

- involve trade unions and employee representatives in making decisions affecting funding and sustainable urban mobility, to ensure democratic input

Local authorities should:

- work together with trade unions from the public and private sectors, as well as with employer organisations and NGOs, to improve public transport and to contribute to the development of Sustainable Urban Mobility Plans (SUMPs)

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- engage stakeholders early in the process of contract design, to improve transparency in the formulation of tender-related criteria, to ensure that all concerns are dealt with and to build trust
- ensure that trade unions have a say in determining the criteria for contract awards
- involve stakeholders in the development of Sustainable Urban Mobility Plans (SUMPs).

Companies should:

- cooperate with one another and with trade unions and NGOs to improve public transport.



3.

ETF policy recommendations for road transport

In light of recent cases of severe exploitation of third-country nationals in the road transport sector, the European Transport Workers' Federation (ETF) calls on policymakers and the industry as a whole to tackle the root causes and underlying factors driving this abuse.

The exploitation of non-EU drivers in the road transport industry is not new. For years, the ETF has called for effective measures to prevent abusive practices that target the most vulnerable section of the workforce. Over the last decade, we have witnessed an exponential increase in the number of third-country nationals recruited by road transport operators. This trend has been hailed by industry representatives and legislators as a solution to an alleged shortage of professional drivers.

Our findings in the ETF's road transport study indicate that there is no shortage of skilled personnel, but there is a shortage of good jobs with decent working conditions and adequate wages, which has created a high vacancy rate in the sector. At the same time, the enforcement of laws and regulations is generally problematic in the road transport sector. With the advent of a highly vulnerable workforce, the result is unfair competition, frequent human rights abuses, and a business model based on cheap labour and extensive supply chains that are not subject to comprehensive and mandatory due diligence. Our study not only provides evidence of these malpractices but also advocates viable solutions.

1.1 Enhancing trade union capacity

Trade unions are best placed to level the playing field, and to combat the inherent structural disadvantages faced by workers. Their assistance in eliminating dumping practices in the sector is even more needed, given the low level of law enforcement in road transport, one of the best regulated sectors in the EU. However, for the trade unions to undertake this role, adequate institutional and political support is needed. This will help strengthen the unions' capacity, improve workers' representation and negotiation mechanisms, and bolster collective bargaining.

This is why the ETF calls on *policymakers* to:

- support trade unions in increasing their capacity to reach out to drivers and eliminate labour rights abuses
- establish counselling and support mechanisms, particularly in Central and Eastern European Member States
- provide adequate EU funding to assist trade unions in supporting third-country drivers' labour rights.

1.2 Ensuring due diligence in global value chains

A due diligence framework provides a sound basis for ensuring that companies constituting supply chains – whether multinational clients,

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freight forwarders or small transport operators – are held accountable for violations of human and labour rights that occur in the course of their business activities.

The ETF calls on *policymakers* to support due diligence mechanisms by:

- bolstering human rights due diligence as a new standard of accountability in global value chain
- adopting due diligence rules requiring large corporations to take mandatory due diligence measures against any potential abuse of human rights in their activities.

The ETF calls on *employers* to:

- work and maintain relationships only with transport operators who uphold the law and respect workers' rights
- ensure the long term sustainability of their operations by engaging directly with workers and workers' representatives employed within their supply chains.
- establish mechanisms of mitigation, monitoring and remedy through engagement with trade unions and workers' rights representatives.

1.3 Stronger social dialogue through framework agreements

Social dialogue is an essential mechanism for improving working conditions. Our affiliated members in Central and Eastern European Member

States have repeatedly expressed criticism of the inadequate social dialogue at sectoral level in their countries. There is a need for stronger social dialogue at both the national and European level.

The ETF calls on *policymakers* to:

- launch an evaluation of social dialogue in Central and Eastern European countries and, according to the outcome, to engage with social partners and national governments in developing effective measures to improve it
- support the development of European framework agreements through social dialogue.

The ETF calls on *employers* to:

- commit to better social dialogue at the European and national levels, and to undertake joint and coordinated work with trade unions
- support fair competition by laying down basic principles through framework agreements, with the active involvement of trade unions.

1.4 Strengthening enforcement

In road transport, the need for better enforcement of existing rules is a pressing matter. The fight against social dumping is dependent on the conduct of systematic and coordinated checks by labour and road transport authorities, within and across Member States. All of the interviewees in our study highlighted the importance of strengthening enforcement, because the sector is marked by a massive discrepancy between the comprehensive detail and scope of law on the one hand, and the frequency of illegality and criminal con-

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duct on the other.

This is why the ETF calls on *Member States* to:

- enhance synergies with road transport authorities by ensuring coordination between roadside officers and labour authorities
- put in place a system of checks with adequate funding, dissuasive penalties, and more inspections
- increase the number of cross-border and joint inspections by Member States.

The ETF calls on *the European Commission* and the *Member States* to:

- support the enforcement of rules that are central to fighting social dumping, by providing thorough legal guidance that makes clear reference to the Rome 1 Regulation and the EU Directives on the posting of workers.

The ETF calls on *the European Commission* to:

- strengthen the mandate and capacity of the European Labour Authority (ELA) and the ELA mechanism that allows trade unions to report abuses and trigger inspections
- introduce EU law on joint and several liability mechanisms through which employers will be held accountable for rights infringements in their supply chains.

1.5 Remedying the weaknesses of the current legal framework

The existing legal framework in the road transport sector is quite strong compared with other sectors. However, additional legal changes can contribute to the better application of existing legal rights.

The ETF calls on *EU institutions* to:

- regulate subcontracting practices through an EU directive on subcontracting
- impose a limit on outsourcing and subcontracting, through the development of stronger regulation to prevent operators from relying on lower labour costs
- launch legal initiatives to strengthen the rights of migrant workers, and to prevent abusive recruitment practices, such as recruitment fees and cash payments
- improve the legal frameworks applying to migration, including the Single Permit Directive
- Prevent the exploitation of third-country drivers by revising the EU rules on driver attestations – so that they ensure, for example, the right of drivers to be in possession of their attestations – as well as by revising the rules on residence and accommodation rights, and so on.

4.

ETF policy recommendations for railways

Facts and figures clearly show that The EU's railway policy during the past three decades has been led by unfounded hopes that competition would foster better services, lower prices, and an increased share of the transport market for rail. ETF and our affiliates have objected to this strategy from the start, on the grounds of evidence that the rail sector functions best as an integrated system in which companies can cooperate to provide the best service. After 30 years of liberalisation, of both passenger and freight rail transport, it is very clear that the predicted increases in rail's share of transport volume have not materialized, while prices for users are up and customer satisfaction has not increased.

In addition, the push for privatisation has forced railway companies to compete more and more at the expense of good labour conditions for railway staff. As a result, the railway sector is faced with a serious shortage of workers and struggles to attract young people. On the basis of research into the effects of liberalisation on the working conditions in the railway sector, conducted by wmp consult, ETF makes the following recommendations to policymakers at the European, national and company levels, for reversing the present trend – with its consequent deterioration in social conditions for railway workers – and for ensuring that railway transport is not only environmentally, but also socially, sustainable.

To the EU institutions:

- **Policy evaluation.** Step away from the ideology of liberalisation. ETF calls on European policymakers to conduct a thorough and objective evaluation of their railway policies and their consequences thus far. In future, we need a coherent railway policy that actively promotes cooperation and public investment. The evaluation should include railway safety, labour market developments, working conditions, the application of collective bargaining, and the social sustainability of the sector. An honest evaluation will undoubtedly lead to a revision of state-aid rules, and to the promotion of direct award as the only way to maintain and improve the quality of service and to remedy labour shortages in the sector.
- **Transfer of staff and conditions.** Where competitive tendering is used to award railway contracts, for example under the PSO regulation, companies should not be permitted to compete on the basis of staff costs. In the event that a contract is awarded to a different company, European legislation should guarantee a full transfer of staff with existing working conditions maintained, and with the retention of the existing collective bargaining agreement (CBA).
- **Training and safety standards.** As long as competition is permitted on the European railway network, European legislation must ensure

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that established safety and training standards are not put in jeopardy by companies competing for the lowest price. This requires strict adherence to safety and training standards for all railway professions, including, for example, the minimum language requirement for train drivers.

- **Monitoring and enforcement.** Adherence to existing social and safety provisions, for example, on working times and other social rules, must be better monitored and enforced. To this end, the development of a European tool to monitor working-, driving- and rest- times, and to support the inspecting authorities, would be a step in the right direction.

To the EU Member States

- **Encouragement of collective bargaining.** With due allowance for differences of national tradition, collective bargaining must be supported not only at the sector level, but also at the company level—including for small private railway companies.
- **Monitoring and enforcement.** National authorities responsible for inspecting and enforcing safety standards must be provided with the financial and human resources they need to fulfil these responsibilities effectively, even in more fragmented railway markets. The current system is based on the outdated presumption that there is one integrated railway company, and relies heavily on self-assessment. This system is no longer fit for purpose in the current reality, where companies try to compete over everything from working hours to training standards.
- **Recognition of rail as a sector of public service.** Rail transport should be declared a sector

of public service, to be supported with the necessary public funds. Consequently, it should be recognised that railway companies are best controlled democratically, to serve that public interest.

- **Funding green transport.** National and regional authorities should support the sector with the necessary short- and long-term public funding for the maintenance and expansion of railway services in Europe. This should, in the broadest sense, reflect rail transport's positive benefits, compared with other modes of transport, including environmental benefits and its merits in alleviating congestion and connecting communities.

To the railway companies

- **Making railway work attractive.** It is in the interest of every company, as well as of the sector as a whole, to make working in the railway sector attractive to new and potential workers, especially to groups who are underrepresented, such as young and female workers. The shortage of workers in the sector is not the result of a lack of skill, but rather of a lack of attractive jobs. The first things required to remedy this are decent salaries, job security, good working conditions and a healthy work-life balance.
- **Social dialogue.** All railway companies should commit themselves to seriously and actively engaging in dialogue with trade unions. This includes concluding and respecting (sectoral) CBAs, but also extends to consulting and engaging workers' representatives in shaping the future of the railways.

5.

ETF policy recommendations for the platform economy

The number of platform workers is constantly growing and, although this type of work is currently concentrated in ride-hailing and delivery services, the platform economy is expanding to other transport sectors. Platform work is often based on precarious employment that does not provide workers with social and employment rights. It is important to tackle this before the platform model spreads to other sectors and further undermines workers' rights. Against this background, the ETF urge:

EU Institutions to agree on a final platform work directive text that

- ensures correct classification of platform workers and ends bogus self-employment
- guarantees the freedom of genuinely self-employed workers and their protection from subordination
- guarantees the equal treatment of all employees, with no "employee-light-protection" model for platform workers
- guarantees fair competition between companies, to create a level playing field in the sector
- guarantees the protection of worker's data and an end to the misuse of algorithms against workers

National governments

- to fully enforce existing labour and social protection laws, to guarantee the employment and social rights of platform workers
- to review the employment status of platform workers and to help end bogus self-employment
- to fully implement the future EU directive, and to commit to rigorous enforcement
- to promote collective bargaining and social dialogue between platforms and representative trade unions
- to strictly apply the General Data Protection Regulation (GDPR) to protect platform workers' data and to ensure that they are not used by platform companies against workers
- to require platforms to provide clear information to workers about algorithmic management, payment structures and commissions
- to conduct public awareness campaigns to inform platform workers about their rights
- to implement transparent and fair procedures for migrant workers working for platform companies, so they can obtain residency and work permits

5.

Local authorities

- to ensure that local regulations are applied fairly and consistently, to ensure a level playing field in the sector
- to build partnerships with trade unions and non-governmental organisations that work closely with platform workers, including youth and migrant organisations
- to provide training and skills development programs for platform workers
- to assist vulnerable workers, particularly migrants, by providing information on social and employment rights and integration services, such as access to language support

Platform companies

- to recognise correctly the employment status of their workers and provide them with employment contracts and their employment and social rights
- to fully respect labour laws and contribute to social security systems and medical insurance schemes
- to ensure fair and transparent remuneration to platform workers, and pay in accord with relevant minimum wages and bargaining agreements
- to take responsibility for the occupational health and safety of their workers, and to provide proper safety instructions and access to adequate protective gear, free of charge
- to cover the maintenance costs of workers' vehicles (bikes, mopeds, cars).

- to engage in social dialogue and collective bargaining with representative trade unions
- to provide access to good sanitary facilities
- to give workers access to their data, and transparent information on algorithmic management, and to ensure human oversight of decision making.