

# **Outsourcing, increased demands, and their impact on driver wellbeing and safety of commercial drivers**

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## The starting point...

About subcontracting in the road freight sector...

- ❖ Approximately 560,000 across the EU in 2012, approximately 90 % operators with less than nine employees
- ❖ Rise in size and importance of pan European logistics 'integrators' such as DHL, Schenker and Norbert Dentressangle
- ❖ In 2010, the top 10 logistics providers in Europe reported combined revenue in 2010 of approximately 5% of the total logistics market

Consequences

- ❖ Subcontracting on extremely unfair conditions, with the large multinationals pushing the small enterprises and self-employed drivers into an unsustainable environment
- ❖ Bogus self-employed drivers



Country/Haulier	Comments on subcontracting if quantifiable and other general notes	Sub-contract out Percentage
<b>Netherlands</b>		
Haulier 1	Subcontract out to owner drivers	10%
Haulier 2	Subcontract out to SMEs (Small, Medium Enterprises)	30%
Haulier 3	Subcontracting levels depend on type of commodity	50%
<b>France</b>		
Haulier 1	Half of sub-contract work to permanent subcontractors	60%
Haulier 2	Sub-contract out only to small hauliers	30%
<b>Hungary</b>		
Haulier 1	Do NOT Subcontract out	0
Haulier 2	Subcontract out 60%	60%
Haulier 3	Subcontract 50% to 1 <sup>st</sup> tier regular hauliers, 40% 2 <sup>nd</sup> tier	90%
<b>Poland</b>		
Haulier 1	Subcontract out only to small hauliers (1-3 HGVs)	80%
Haulier 2	Subcontract out 22%, this tends to be general haulage	22%
Haulier 3	Subcontract out 50%	50%
Haulier 4	Subcontract out to 20/30 SMEs	30%
Haulier 5	Subcontract out 100%, as currently run no vehicles here	100%
<b>Germany</b>		
Haulier 1	Subcontract out mainly to small hauliers (1-10 HGVs)	30%
Haulier 2	Subcontract out to 50 small hauliers (1-5 HGVs)	30%
<b>Portugal</b>		
Haulier 1	Do NOT Subcontract out. Get 80% of work from shippers	0%
Haulier 2	Subcontract in 10%; 90% or work from shippers	10%
Haulier 3	85% subbed to SMEs; contract in 5%; 100%from shippers	75%
<b>Denmark</b>		
Haulier 1	Get 80% of work from shippers	5%
<b>Norway</b>		
Haulier 1	Get 100% of work from shippers	5%
Haulier 2	Get 37% of work from shippers	5%



# Reasons for subcontracting

- ❖ Extends geographical reach
- ❖ Meet periods of peak demand
- ❖ Cost-cutting / shift responsibility for social security & employment benefits to sub-contractor



## Driver typology (DEKRA study)

- ❖ “the called” – the King of the Road
- ❖ “the committed” – likes the driving (autonomy, variety) & innovation
- ❖ “the rationalist” – appreciates the job security (planning, predictability of shifts, regular return home)
- ❖ “the accidental” driver – driving is the only alternative of generating income, wants to stay with the job at all odds



***Which typology will prevail in the future and what will be the determining factors????***



# Job quality... a determining factor

Role of road transport undertakings

Role of law enforcement, as guarantor of law-compliance...

- ❖ over the recent past, enforcement capacities decreased by 75%
- ❖ 98% of offences detected at road side in 2011 – 2012 are related to breaks, driving time, rest periods and driver activity records
- ❖ In 2011 – 2012 over 2 million offences were detected at road side checks



# **Job quality? Reflected in the shortage of drivers**

**DEKRA: In Germany, annually, a maximum of 15,000 drivers join the profession while around 25,000 leave...**

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