

Byways in Danish transport

Pay, working conditions and living standards of Bulgarian, Romanian and Macedonian lorry drivers in Denmark and Western Europe. A report on the free movement of labour in the transport sector.



Romanian drivers
at long-term lorry
park in Taastrup

Prepared by COWI for 3F Transport and the Danish Transport and Logistics Association (DTL) with financial support from the Danish Working Environment Authority.

Every day more than four thousand foreign lorries cross the borders of Denmark. An increasing number of them are driven by Bulgarian, Romanian or Macedonian drivers.

The use of Eastern European lorries and drivers on Danish roads has featured on many front pages and has been the subject of many television news stories in recent years – often with negative headlines about infringement of rules or brief stories about wretched living standards and poor pay and working conditions.

This report portrays actual conditions on the basis of information gathered from the drivers themselves, the objective being to provide critical and constructive input to the debate on the EU single market and the creation of a framework that will ensure fair competition and better working conditions in the European transport sector.

Erik Østergaard, CEO, Danish Transport and Logistics Association,
and Jan Villadsen, General Secretary of 3F Transport



Autumn 2015: European lorry cuisine

The life of drivers and the Danish Balkans

Who transport goods to people living in Denmark, and under what conditions do they do so? The various EU enlargement processes and continual liberalisation of the EU transport market have made it increasingly difficult to answer these questions.

Both in Denmark and in the rest of Western Europe it was initially lorries and drivers from Poland and the Baltic countries that entered the transport market. Nowadays, Bulgarian, Romanian and, to some extent, also Macedonian drivers are taking over.

Based on questionnaires completed by 225 Romanian, Bulgarian and Macedonian drivers during breaks in Denmark in the week from 12 to 18 October 2015, we can now paint a precise picture of the working and living conditions of the steadily growing group of drivers from the Balkans who provide transport services in Denmark and the rest of Western Europe. The consulting firm COWI prepared the questionnaires and processed the responses. In brief, the conclusions show that Bulgarian, Romanian and Macedonian drivers working on Danish roads:

- Earn an average of DKK 11,000 a month
- Live in their lorries for average periods of at least seven weeks at a time
- Are frequently put under pressure to break rules and regulations
- Are de facto working as posted workers in Western Europe under conditions applicable in their home countries
- Never carry loads of goods in their home countries

This booklet provides an overview of the conclusions set out in the more detailed report prepared by COWI. The COWI report is available from the Danish Transport and Logistics Association (DTL) and 3F Transport.



Romanian heating system in the lorry cab

Driving at a third of normal wages

When Mihai from Romania and Simeon from Bulgaria drive a lorry in Denmark or another country in North-western Europe, they typically do so at monthly wages of EUR 1,500. This is between a third and a half of the wages earned by local drivers, ie Danish, Swedish, German, Dutch, Belgian and French drivers.

Apart from Denmark, most of the driving took place in Sweden, Norway, France, Germany and the Benelux countries; never in the drivers' home countries.

COWI COMMENTS: The majority of the respondents paid tax in Romania or Bulgaria. No respondent paid tax in Denmark, although 12% of the drivers stated that their employer was based in Denmark (office and fleet management).

74 percent of the Bulgarian, Romanian and Macedonian drivers stated that they earned between 1,100 and 1,900 euros a month. The rest of the drivers earned either more or less.

88 percent 88% stated that they had been away from home for more than two weeks.

47 percent stated that at the time when they completed the questionnaire they had been away from home for more than seven weeks, and 14% stated that they had been away for more than eleven weeks.

89 percent of the drivers were employed drivers, while 11% owned, rented or leased their lorry, which makes them self-employed hauliers or rather 'false' self-employed hauliers, since they do not have any control over their own business and income.

77 percent of the drivers stated that they worked for an employer based in Romania or Bulgaria.

23 percent stated that they were employed in a country other than those two countries.

12 percent had an employer based in Denmark.

71 percent of the drivers stated that they received instructions from a person located in Bulgaria or Romania.

27 percent stated that they received instructions from a person located in Denmark.

The vast majority of the drivers **88 percent** stated that they slept in their lorries most nights.

Poor social security

In terms of social security, Macedonian, Bulgarian and Romanian drivers are considerably disadvantaged as compared with their Danish and Western European counterparts. In almost all cases, the social security of the drivers was that of their home country.

- 97% of the drivers stated that they worked for an employer who paid healthcare (incapacity) insurance and contributed to a pension plan.
- 40% worked for an employer who paid contributions to an unemployment insurance scheme.
- 83% received holiday pay
- 31% received pay when on sick leave
- 2% of the drivers stated that they assumed they would receive payments from Denmark in the event of sickness or unemployment.



Bulgarian parallel and satellite dish community in Denmark

Pressure on drivers to break rules

A BG or RO country code on a lorry typically means more than lower prices and pay and pressure on working conditions: a large proportion of the Bulgarian, Romanian and Macedonian drivers stated that they were often under pressure to break rules and regulations

- The vast majority of the drivers in the survey (88%) stated that they had been away from their home country for more than two weeks. While away, the drivers' 'home' is their lorry. By living in their lorries, the drivers break the rule that they must not spend their regular weekly breaks in their lorries.
- 16% of the drivers stated that they were paid on the basis of the number of kilometres they drove during a working day. Such a pay system is not allowed under EU legislation. It may reflect circumvention of the rules by letting drivers lease or rent the lorries and work as 'false' self-employed hauliers.
- 13% of the drivers stated that their employer exerted pressure on them to make them break the rules on driving and resting times.
- Between 14% and 45% of the drivers indicated various types of rule breaches within a period of two weeks: non-compliance with maximum driving hours and breach of other rules relating to driving and resting times.
- 4% stated that they had been in Denmark for more than seven days (could suggest illegal cabotage operations).



Doing the laundry at a lorry car park in Jutland

COWI COMMENTS: When employers put pressure on drivers to make them break resting time rules, it appears that drivers are more likely to break the rules than they are when their employers do not put such pressure on them. Of the drivers whose employers put pressure on them, 32% actually broke the rules. Of the drivers who DID NOT experience any pressure on the part of their employers, 27% broke the rules on driving and resting times.

Routine driving in North-western Europe

Illegal carriage of goods or systematic cabotage operations in violation of rules and regulations? The 225 interviews with Romanian, Bulgarian and Macedonian drivers do not lead to any clear conclusions regarding definite breaches of the rules on cabotage operations, ie the EU rules on the time foreign lorries may drive in another EU member state and the number of transport operations they are allowed to carry out.

However, the drivers participating in the survey mainly drove in Denmark, Germany and Sweden, to some extent in France and the Netherlands, and to a lesser extent in other countries. Only one driver stated that he also drove close to his home country (one journey to Hungary).

43% of the drivers stated that the majority of their driving was to and from Denmark.

This is a clear indication that Bulgarian, Romanian and Macedonian drivers are routinely used for routine driving in Denmark and the rest of North-western Europe. They perform their work under Romanian, Bulgarian or Macedonian pay and working conditions, which are very different from pay levels and collective agreement conditions in Denmark and North-western Europe, despite the fact that the drivers never carry loads in their home countries.

This picture is further substantiated by the fact that 27% of the drivers stated that they received instructions from Denmark.

Several sets of rules can be applied relative to routine use of foreign lorries and drivers:

- The EU Cabotage Regulation, which sets out rules on the number of cabotage operations a foreign lorry may perform in another EU member state.
- The EU Directive on certain types of combined transport of goods between member states, which contains provisions about the possibility of posting foreign drivers to perform transport operations in other EU member states if the goods to be carried are delivered to or from a port or a railway hub.
- EU legislation on international transport that allows driving in third countries, ie transport between two or more EU member states that are not the home country of the lorry and the driver.
- The EU Posted Workers Directive and the provisions on equal pay set out in the Rome Convention.

The first three sets of rules mentioned above are not only applied individually, but also in combination. The result is increased use of lorries and drivers from Bulgaria, Romania and Macedonia in Denmark and North-western Europe.

Equal pay for equal work?

Since he took office in 2014, European Commission President Jean Claude Juncker has often talked about social dumping, inappropriate use of labour and nationality-based discrimination being a threat to the internal market in the EU. In his recent State of the Union speech, Mr Juncker stated that one of the fundamental principles of the European Union is the requirement of equal pay for the same work in the same place. Both Commissioner for Employment Marianne Thyssen and Commissioner for Transport Violeta Bulc have expressed the same opinion.

The survey clearly documents that the principle of equal pay for equal work is not applied in relation to the drivers



Trailer lounge,
autumn 2015

working on the roads in Denmark and North-western Europe: there is both unfair competition and nationality-based discrimination in relation to the pay and working conditions of the drivers.

Drivers from Bulgaria, Romania and the non-EU member state Macedonia drive in Denmark and the rest of North-western Europe in equal competition with 'local' drivers. However, they do so at only a third of the price (pay) or even less – and also without driving in their home countries or their own regions.

They thus de facto act as posted workers, but are not paid or treated in compliance with the EU principle of equal pay for equal work at the same place.

'I am convinced that Europe will succeed only when its economy is both strong and fair'....'I am taking concerns about potential cases of abuse and risks of social dumping very seriously... 'The same work at the same place should be remunerated in the same manner'....

Jean Claude Juncker, President of the European Commission,

6 October 2015

Recommendations

3F Transport and the Danish Transport and Logistics Association (DTL) represent workers and employers respectively and are obviously not in full agreement about everything. However, we agree that the documentation and the numbers obtained in connection with the Byways in Danish Transport survey give rise to serious concern. We are also in agreement on working together to ensure fair competition, equal conditions and good jobs.

We will therefore use the report and the information it contains as a basis for discussion in 2016, both in debate in Denmark and in debate in Europe where the EU is to review the rules on the posting of workers and adopt a new mobility package and a road transport package over the next few years.

3F Transport and DTL agree on the following recommendations.

Both the EU and national authorities in other countries should be encouraged to conduct similar surveys to reveal conditions in the transport sector and use the data collated as a basis for recommendations concerning national and EU legislation that needs to be adjusted or fundamentally changed.

We need more than a simple service check on the Combined Transport Directive, the cabotage rules and the rules on the posting of workers. All the existing sets of rules have glaring weaknesses because there are no controls or sanctions. This is true both at the national level and in the European Union as a whole.

In our opinion, the report and the information and conclusions contained in it are yet another clear signal that social dumping and unfair competition constitute a serious threat to the transport sector and the labour market in Europe. We would therefore like to see a more vigorous debate in a number of fields, ranging from more rigid and more clearly defined rules to better checks and stricter sanctions that can have a deterrent effect on businesses that circumvent the rules.

Solutions should be discussed and devised at both national and EU level. There is a need to act fast. In recent years Denmark, France, Sweden, Finland, Germany, Austria, the Netherlands and Belgium have taken a number of different national measures aimed at counteracting social dumping in the transport sector. This trend will continue unless common solutions are found.

Drivers in morning queue on Danish side road





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