

Summary

The European Union of Independent Trade Unions (CESI) is the umbrella organisation of more than 40 national and European trade union organisations with a total of over 5 million members from over 20 countries in Europe.

Since its foundation in 1990, CESI has been advocating improved working conditions in Europe and a strong social dimension for the EU.

Most of the members of CESI are civil servants and employees in the European, national, regional and local administrations and public services.

In the postal sector, CESI is a recognised European sectoral social partner. CESI's internal members' committee ('Trade Council') for postal services and telecommunications serves as a platform for its union members in the sector to plan the related interest representation and advocacy work of the umbrella organisation.

As part of the evaluation and possible revision of the EU Postal Services Directive in 2019/2020 and beyond, CESI's Postal & Telecommunications Trade Council has looked at developments from the first Postal Services Directive in 1997 until the last amendment of the directive in 2008.

CESI's Post & Telecommunications Trade Council has also addressed the changes brought about by Regulation (EU) 2018/644 on cross-border parcel delivery services within the delivery services.

The members of CESI's Postal & Telecommunications Trade Council criticise the role of the Postal Services Directive, which has contributed to the liberalisation of the sector, with the result of a deterioration in the quality of the delivery service and working conditions for workers in the sector, and note that these deteriorations can also be observed in cross-border parcel delivery service.

In detail

CESI's Postal & Telecommunications Trade Council welcomes the European Commission's initiative to seek the views of stakeholders on the application of Regulation (EU) 2018/644 on cross-border parcel delivery services. The Trade Council has been dealing with the issue for many years and has repeatedly criticised the often scandalously low wages and miserable working conditions in the postal sector.

When looking at employment conditions and pay in this sector, it is clear that growth in e-commerce is largely carried out on the backs of employees.

Working conditions are becoming increasingly precarious. Companies are coming under increasing competitive pressure and are trying to rid themselves of high labour costs. Companies that offer only work at good wages that require social security contributions find themselves in a difficult situations.

In several resolutions, the Trade Council has called for decent minimum working conditions and minimum wages so that employees can also maintain their standard of living from their wages. The Trade Council has also raised concerns over the nature of business practices in the sector.¹

Europe's parcel market is dominated by large companies. Of these, however, only a few companies work with predominantly permanent and collectively paid employees. The other companies almost exclusively commission subcontractors and some of them again subcontractors or (bogus) solo self-employed persons, which mainly serve the 'last mile'. Amazon as well is also active in this regard, with commissioned transport companies.

Checks on subcontractors have exposed sometimes scandalous conditions in the industry. Working hours of up to 16 hours a day, undercuttings of minimum wages, illegal employment, withholdings of social security contributions and breaches of essential health and safety precautions appear to be commonplace in parts of the industry and through long chains of subcontractors.

CESI's Postal & Telecommunications Trade Council considers that the almost exclusive consideration of price policy for cross-border parcel delivery services is insufficient to achieve improvements in employment and working conditions in the sector.

¹ https://www.cesi.org/wp-content/uploads/2014/02/Resolution-Arbeitsbedingungen_DE_adopted.pdf; https://www.cesi.org/wp-content/uploads/2014/02/Resolution-Prek%C3%A4re-Besch%C3%A4ftigung_DE_adopted.pdf

From the point of view of customers, it is of course convenient that services are offered at ever lower prices. However, these low prices are far too often and regularly at the expense of employees. Just as it is particularly evident also in the meat processing industry.

The reduction or uniformisation of prices for certain services generally leads only to a deterioration of the overall service and to a deterioration in working conditions in the sector. Thus, price war is also one of the reasons why there is a system of subcontractors in the sector in which collective agreements are only applied in the former companies.

Therefore, one of the basic demands of CESI's Postal & Telecommunications Trade Council for the industry is that all delivery services must be covered by a collective bargaining obligation and that pay must not fall below a minimum wage for the sector.

The Trade Council also notes that it is precisely because of price dumping that companies can no longer employ their employees and pass on orders to subcontractors and bogus solo self-employed.

This development must be stopped, otherwise the social systems throughout Europe will suffer and the employees concerned will be threatened by old-age poverty.

In addition, the competition to date has also led to massive burdens on cities, with many competing delivery service vehicles clogging up cities, many of which are polluting.

The positive approach of the 'European Green Deal' must also be consistently implemented in the parcel delivery sector, and be reflected in EU-level regulation of the sector.

A holistic view beyond mere prices is crucial to assess a service, and this must include above all attractive working conditions and fair wages for employees in the sector. It should also include the resources used to deliver them and the level of damage to the environment.

In the opinion of CESI's Postal and Telecommunications Trade Council, more support should be provided for delivery services providing services with environmentally sound methods. It must be possible for the customer to select a service provider (delivery service) that provides a high standard in terms of environmental protection, working conditions and wages, even if it means a higher price for the service. Currently, only very few online retailers offer such a choice for customers.

CESI's Postal and Telecommunications Council calls on the European Commission to work to reduce precarious employment across the EU in favour of the creation of high quality jobs in the sector. Workers must be able to live on their income and enjoy job security and basic workers' rights.

Employees in the parcel industry must also have a right to fair pay, social benefits and attractive working conditions. **To this end, it is essential that:**

- **Bogus solo self-employment is eliminated and that the excessive system of subcontractors based on social dumping is abolished.**

In this respect, the CESI's Postal & Telecommunications Trade Council welcomes the initiative in Germany to create a subcontractor liability for the parcel service sector as a first step in the right direction. In Austria, too, there is a Labour Transfer Act (Arbeitskräfteüberlassungsgesetz), where hauliers (Spediteure) that drive and deliver for the Austrian Post have to pay the same wage as The Austrian Post pays to their employees. Such instruments must be further developed at the EU-level. A system must also be developed to prevent the exploitation of employees/bogus solo self-employed workers and to enable an easy control and enforcement of sanctions for companies and subcontractors in the sector.

- **an EU-wide binding minimum wage system is achieved**, which, taking into account national circumstances, must in principle be based on a percentage of the average wages in the country concerned and which puts a stop to existing national loopholes in minimum wages.

Wages, especially for delivery workers, must rise appreciably. It is not acceptable that, in a booming industry, wage levels – as has happened in recent years – fall, thereby devaluing the work of a parcel delivery workers.

- **minimum standards for working conditions in the parcel industry are elaborated and rendered mandatory.**

These must aim to prevent employees in the parcel industry from being exploited.

In the opinion of CESI's Postal & Telecommunications Trade Council, these objectives must also be achieved by hard legislative measures. The (application of the) EU regulation on cross-border parcel delivery services should also be subordinated to these objectives.