

ILO Sectoral Brief

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COVID-19 and road transport

The road transport sector is essential to social and economic development and guarantees mobility across jurisdictions and countries. Road freight transport services ensure the supply of essential goods, including food and medical supplies, as well as a vast range of materials upon which businesses and consumers depend. The sector not only makes an important contribution to economic growth and job creation, but also prevents shortages of essential goods. Road transport in some countries has been declared an essential service.

In order to curb the spread of COVID-19, many countries around the world have placed restrictions on domestic transit and/or closed border crossings for road freight transport services. The resulting slump in trade and supply chain disruptions will have an impact in all countries, and may further exacerbate the vulnerability of landlocked developing countries. Shortages of essential goods or higher prices can affect the most vulnerable in society (including women, the elderly and informal workers).

Urgent action by governments, the social partners and parties to road transport supply chains³ – including shippers, receivers, transport buyers and intermediaries – will be critical in addressing decent work challenges for these key workers to tackle the present and future crises effectively. Truck drivers have been described as "the unsung heroes of the road, the kings on wheels, the knights of the highway"⁴ and "foot soldiers"⁵ in the battle against the pandemic. They



© <u>Elegant Mob Films</u>, <u>Real Ficçao</u>, <u>Cinevideo e Multimedia</u>, <u>Amaury Santana</u> Life on wheels: long-haul truck driver in Spain.

are indispensable to keep supermarket shelves stocked with essential goods and deliver medical supplies. But policies such as border closures, travel bans, export restrictions, social distancing, lockdowns and closures of non-essential businesses have had an immediate effect on their day-to-day life, and their working conditions have quickly deteriorated. Action that respects human rights and takes into account international labour standards and social dialogue can pave the way to decent working conditions for these vital workers.

¹ International Road Transport Union (IRU), 2020. COVID-19: How some countries around the world are supporting road transport, Newsroom, 9 April.

² Food and Agriculture Organization of the United Nations (FAO), 2020. Responding to the impact of the COVID-19 outbreak on food value chains through efficient logistics, 4 April.

³ ILO, 2020. Guidelines on the promotion of decent work and road safety in the transport sector, paragraph 12, Geneva.

⁴ IRU, 2020. What the drivers' life is like, Newsroom, 15 April.

⁵ Premak, R. 2020. <u>Truck drivers have emerged as some of the most 'essential' workers of the coronavirus, but they're not getting paid like it, Business Insider.</u> 9 May.

⁶ World Customs Organization (WCO) Private Sector Consultative Group, 2020. Comments on the impact of the COVID-19 crisis: Ideas for the WCO and its Members from the WCO Private Sector Consultative Group, 13 April.

⁷ United Nations Office of the High Commissioner for Human Rights (OHCHR), 2020. COVID-19 Guidance.

▶ 1. The impact of COVID-19

The road transport sector - including long-distance passenger and freight - is under severe financial constraints and operational pressure as a result of the COVID-19 pandemic. While the main focus of this brief is long distance road freight transport, it is important to highlight that tourist motor coach operations (i.e., long distance international operations) have fallen by 100 per cent in many regions and the services of long-distance national coach lines have declined by 90 per cent.8 In the case of the freight carriage, certain segments are almost at a standstill, including the transport of automotive parts, flowers, clothing and construction materials.9 Other road freight operators, including those transporting essential goods, have seen their revenues decrease by up to 40 per cent due to the lack of new contracts or they are running empty more frequently (up to 40 per cent more).10

Road transport contributes substantially to both gross domestic product (GDP) and employment.

Depending on the country, the road transport sector generally contributes between 1 and 4 per cent of GDP and 3 and 5 per cent of total employment.¹¹ However, in some countries, these percentages may be even higher, depending on the estimated level of informal employment in the sector.

Main impacts on employment

In many countries, most drivers are self-employed and thus many fall outside the scope of labour and employment protection laws, which means that they are not eligible for critical employee benefits, such as disability compensation and health¹² and unemployment insurance. ¹³ They also may not be able to engage effectively

in freedom of association and collective bargaining. The carriage of goods is generally based on service contracts or informal operations. Operating a small road transport business, including as a self-employed worker or owner-operator, can be a path to opportunity, financial independence and flexibility. ¹⁴ But the sudden onset of the pandemic has increased vulnerability in the sector. Segmentation and fragmentation levels, including the increasing use of subcontracting, have intensified competition, with independent drivers, including owner-operators, and micro, small and medium-sized enterprises (MSMEs) making up the majority of the freight transport industry.¹⁵

While businesses of all sizes have been affected by the pandemic, this unprecedented situation has resulted in the rapid deterioration of the liquidity and profitability **of most MSMEs in the industry.** Independent drivers and MSMEs are especially at risk of bankruptcy. Independent drivers are worried about how they will keep their businesses afloat as freight rates have tumbled, insurance premiums are rising and new regulations may negatively impact their businesses. 16 Workers in the sector, including dependent self-employed workers, are vulnerable, as they often must absorb the costs of ownership, maintenance and other vehicle operating costs, but may not be able to participate in social dialogue and may not benefit from the protection enjoyed by other workers, including social protection.¹⁷ Free, independent, strong and representative employers' and workers' organizations are key conditions for effective social dialogue.18

Labour shortages will have an impact on major destination countries where drivers from other countries account for a large percentage of the workforce. The European Union (EU) is the only region where a large majority of truck drivers are on permanent (up to 89 per cent) or full-time (up to 95 per

8 IRU, 2020. IRU Open Letter: Road transport industry call for action 'Driving the recovery', 06 May.

9 ibid.

10 ibid.

11 ILO, 2015. Priority safety and health issues in the road transport sector, Report for discussion at the Tripartite Sectoral Meeting on Safety and Health in the Road Transport Sector (Geneva, 12–16 October 2015), pp. 17-18.

12 For example, in the United States, 38 per cent of truck drivers are not covered by basic health insurance or a health care plan. See: United States Nation al Institute for Occupational Safety and Health, 2014. National survey of long-haul truck driver health and injury, Federal Motor Carrier Administration.

13 ILO, 2015. Priority safety... op. cit. p. 11.

14 ILO, 2020. Guidelines... op. cit., paragraph 25.

15 ILO, 2020. <u>Guidelines...</u> op. cit., paragraph 24.

16 Abott, C., 2020. Owner-operators feel pain of rate decline due to pandemic: Protest blocks freeway in Houston, The Trucker, 23 April.

17 ILO, 2020. <u>Guidelines...</u> op. cit., paragraph 25.

18 ILO, 2018. Resolution concerning the second recurrent discussion on social dialogue and tripartism, International Labour Conference, 107th Session, Geneva, 2018.

cent) employment contracts.¹⁹ Nevertheless, in some EU countries the industry largely depends on drivers from other countries, who may have returned home or are placed in quarantine or confinement due to physical distancing restrictions.²⁰

Responses and policies have to take into account the specific needs of women workers in the sector, as the economic effects of COVID-19 will affect them in a differentiated way to men. ²¹ Women in the sector are often stuck in jobs that are low- or lower-paid or have a low or lower status relative to men, with few if any opportunities for career development. The road transport sector is still highly male-dominated.

Workplace impacts

Transport workers find themselves in a unique situation because of the specific conditions of their workplace. Truck drivers spend a significant amount of time in the cabin, so rest areas and welfare facilities are of paramount importance for the management of fatigue and driver well-being. The closure of commercial vehicle rest areas, welfare facilities and non-essential businesses – including restaurants and repair shops – has negatively impacted their working conditions, leaving them with less access to fresh water and bathrooms. Professional thieves may take advantage of COVID-19 due to the closure of rest areas and a general shortage of safe and secure parking facilities.²²

New restrictions (or closures) at border crossings and national state lines or local jurisdictions have a negative impact on working conditions in terms of waiting times, forced quarantine, mandatory testing and discrimination. Governments, workers and employers have a mutual interest in working together to reduce the negative impact of unnecessary delays and uncoordinated control procedures. This can expedite the international or domestic movement of freight and ensure on-time delivery of essential goods. United Nations transport and trade facilitation

conventions, such as the TIR Convention,²³ can be helpful in the current situation.

"While most people and companies love that we are still driving during the COVID-19 pandemic, they still do not allow truck drivers to use their facilities. Toilets remain closed at loading and unloading points. Showers at petro stations have big lines and are not being cleaned. But, like

everyone else, I want to take a

shower and be clean before I go

Fons van Bergen, a Dutch international truck driver²⁴

back to my cabin to sleep."

Main occupational safety and health (OSH) impacts

"The occupational health and safety of those working during this crisis [...] should be assessed and addressed."²⁵ Workers in at-risk environments should be provided with good quality personal protective equipment (PPE).²⁶ No one should feel forced to work in conditions that unnecessarily endanger their health because they fear losing their job or a pay cheque. ²⁷

¹⁹ European Parliament, 2015. Employment conditions in the international road haulage sector, study for the Committee on Employment and Social Affairs, p. 14.

²⁰ European Transport Workers' Federation (ETF), 2020. <u>COVID-19: Truck driver reveals truth about how professional drivers are treated on Europe's borders</u>, 17 April.

²¹ World Road Association (PIARC), 2020. The impact of COVID-19 on women in transport, webinar, 15 May.

²² Sensitech, 2020. Supply chain impact and cargo security best practices, SCIC COVID-19 Alert, 30 April.

²³ UNECE - IRU, 2020. <u>Border crossings in the age of COVID-19</u>: <u>Using tried and tested UN Conventions</u>, The Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention, 1975) is one of the most successful international transport conventions and is so far the only universal customs transit system in existence. Border crossing facilitation documents and e-documents (including TIR and e-TIR Carnets) may reduce the risk of spreading the virus as there might not be any need to check every driver and load compartment. See: UNECE (undated). <u>TIR</u>.

²⁴ IRU, 2020. What the driver's life is like. 15 April.

²⁵ OHCRH, 2020. COVID-19 Guidance, section on social and economic impacts.

Independent drivers and MSMEs may not have the capacity for contingency planning or to manage or quickly adapt their operations to pandemics. Clear and transparent information is paramount to enable truck drivers to carry out the necessary planning and follow protocols and recommendations to remain healthy and safe. The sourcing and ability to purchase PPE and cleaning or health supplies may be limited for drivers. Other obstacles to adapt and manage their operations include discrimination and stigma at rest areas, shipper facilities and other delivery points due to fear of contracting the disease.

The suspension of working or driving time rules may result in fatigue, stress and crashes. The suspension of working or driving time rules in a number of countries provides greater flexibility to relieve workforce shortages and ensure the on-time delivery of essential goods. However, many truck drivers may be confronted with longer working hours and a lack of rest periods during the pandemic, which may result in increased fatigue and exhaustion, affecting their physical and mental health, as well as their family life and relationships.²⁸ The pandemic may exacerbate pressure from supply chain entities, which may be an underlying cause of transport workers adopting riskier and unsafe driving practices.²⁹ Careful monitoring and safeguards in these regulatory changes can help to prevent such negative effects and their related road safety outcomes (including crashes).

▶ 2. Responses by constituents and partners

Tripartite responses, involving workers, employers and governments, are key to addressing the implications of the pandemic. The action taken by ILO constituents has generally focused on three immediate goals: protecting workers in the workplace; supporting enterprises and providing financial support; and supporting transit, corridor and trade facilitation, including the relaxation of a number of regulations. All three can contribute to ensuring the efficient delivery of essential goods and medical supplies during the pandemic.

International sectoral responses and resources

The lack of a global organization focusing on road/inland transport matters may have hampered the much-needed coordinated response to the pandemic in the sector.³⁰ Some of the most relevant international quidance documents and databases include:

United Nations bodies:

- ▶ The Observatory on Border Crossings Status due to COVID-19 (facilitated by the UNECE) presents information and a database on travel restrictions and border shutdowns by country (planned for 187 member States).
- ► The United Nations Conference on Trade and Development published a 10-point action plan to strengthen international trade and transport facilitation in times of pandemic.
- ► The <u>Joint Statement</u> by the Directors-General of the FAO, the World Health Organization (WHO) and the World Trade Organization (WTO) emphasizes the importance of maintaining open trade.
- ▶ The FAO has developed a policy brief, Responding to the impact of the COVID-19 outbreak on food value chains through efficient logistics, which emphasizes the importance of logistics in maintaining and increasing agricultural production and market access.
- ► The UNECE has compiled <u>Data Sources on</u> <u>Coronavirus impact on transport</u> (planned for UNECE member States).

► The United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) has issued a brief on Policy responses to Covid-19: <u>Transport connectivity in Asia and the Pacific</u> and a note on <u>Strengthening freight transport corridors of</u> South Asia in the aftermath of COVID-19.

Other intergovernmental organizations:

- ➤ The International Transport Forum at the Organisation for Economic Co-operation and Development (OECD-ITF) has published a brief on Transport policy responses to the coronavirus pandemic and maintains a database on policy responses by member countries (60 countries).
- ➤ The WTO posts informal situation reports on its COVID-19 and world trade website to provide transparency with respect to trade and trade-related measures taken in the context of the COVID-19 pandemic.
- ▶ The Joint Statement by the heads of the World Customs Organization and the WTO pledges to establish a coordinated approach to support initiatives that facilitate cross-border trade so that essential goods can quickly reach those most in need.

Regional bodies:

- ► The EU has issued COVID-19: Guidelines for border management measures to protect health and ensure the availability of goods and essential services.
- ➤ The FAO and the African Union have issued guidance on Intra-African trade (in French) <u>Le commerce intra-africain</u>, la Zone de libre-échange continentale africaine (ZLECAf) et la pandémie de covid-19.

Call for action as a result of social dialogue

International sectoral employers' and workers' organizations have worked together through social dialogue to address COVID-19 issues efficiently and effectively. The IRU and the International Transport Workers' Federation (ITF), in a joint statement, emphasize the urgent need to protect drivers and provide financial assistance for the road transport

³⁰ Other transport sectors, such as shipping and civil aviation, benefit from the work and guidance issued by United Nations specialized agencies including the In ternational Maritime Organization and the International Civil Aviation Organization. After the termination of the Transport and Communications Commission, the Inland Transport Committee (ITC) housed at the UNECE became the custodian of the United Nations Transport Conventions (global and European agreements). Yet only UNECE member States may participate at the ITC sessions as full members with voting rights. "Non-UNECE member States have the right to participate as full members to the segments of the ITC session that deal with legal instruments to which they are contracting parties and remain in a consultative capacity in other parts."

industry, and particularly MSMEs, in order to support the continuity and resilience of mobility and supply chains. They make an urgent call to:

- Designate road transport as a key service
- Recognize the vital role of commercial motor vehicle drivers
- Designate road transport workers as key workers and award them the same protection as other vital service workers
- Guarantee the safety and well-being of drivers through the development and implementation of standard practice in cross-border logistics
- Offer priority government support to road transport MSMEs.
- ▶ Initiate tripartite dialogue at the national level between governments, employers and unions to support the road transport industry.
- Demand respectful treatment and working conditions for drivers by customers, shippers and authorities

TRU:

The IRU has created a <u>COVID-19 information hub</u> and developed practical <u>recommendations for truck</u> <u>drivers</u> and <u>for bus and coach drivers</u> during <u>COVID-19</u>, <u>which are available in 16 languages</u>. The IRU Secretary-General has also made two calls for action:

- An open letter on <u>Coronavirus and its impact on supply chains and mobility networks</u> (17 March 2020) that raises concerns on the gap in the global response to COVID-19 for the road transport sector.
- A plan, including a <u>Road transport industry call for action "driving the recovery"</u> (4 May 2020), and a call for immediate financial and non-financial measures and mid-term schemes to support the road transport industry.

ITF:

The ITF has emphasized that existing international labour standards and the protection of labour rights are crucial to the success of efforts to contain COVID-

19. It has created a <u>COVID-19 information hub</u> and issued a call for action on <u>Covid-19: ITF global demands for governments and employers</u>, focusing in five key areas:

- Protecting workers vital to the COVID-19 response
- Putting health and safety first
- Providing income protection for all workers
- Government-led stimulus measures to keep the economy going

► Maintaining sustainable supply chains

The ITF has emphasized the need to ensure safe access to decent sanitation facilities. It has issued <u>demands on COVID-19</u> and access to sanitation facilities for transport <u>workers</u>, which include a checklist.

Countries in action: National responses

Most governments have declared road transport an essential service or truck drivers essential workers. These measures may be bolstered by efforts to strengthen the application and monitoring of labour standards and increase OSH safeguards. National responses in the road transport sector have included:

- Financial measures: according to the International Monetary Fund (IMF), the sector is eligible for financial assistance in some countries.³¹ Measures to alleviate the financial burden in the transport industry include:³²
 - Credits
 - · Tax relief, deferrals, write-offs or rebates
 - · Waiver of social security deductions
 - Lowering business license or vehicle registration fees
 - · Loan guarantees
 - · Cash transfers
 - Fuel price controls
 - The creation of a dedicated fund for priority sectors (including transport and logistics) or earmarking a significant percentage of a financial package for priority sectors
 - Subsidies for social security contributions and wages
 - A moratorium for borrowers in selected sectors, including transport
- Partial or total suspension of working or driving time rules, or a temporary relaxation of enforcement and inspection (many countries)
- Extensions for the renewal of commercial driving licenses or permits, and for certification or qualification requirements (many countries)
- Introduction of priority (green) lanes for vehicles transporting essential goods and medical supplies (some EU countries)
- ▶ Distribution of masks or other PPE (United States)³³

³¹ IMF, 2020. Policy tracker.

- Opening all or key rest areas and welfare facilities (Belarus, 34 Luxembourg, 35 Spain 36)
- ▶ Pilot projects to monitor the mental health and psychosocial conditions of commercial motor vehicle operators (Russian Federation)³⁷
- ► Compilation of information on the measures adopted by other countries for the transport sector (Spain)³⁸

³⁴ OECD-ITF, 2020. Measures introduced in Member countries related to COVID-19: Belarus.

³⁵ OECD-ITF, 2020. Review of the measures introduced in the field of transport related to COVID-19: Luxembourg.

³⁶ Government of Spain, 2020. Orden TMA/229/2020 [Order No. TMA/229/2020] (in Spanish), of 15 March.

³⁷ Russian Federation, Ministry of Transport, 2020. $\underline{\text{Circular}}$, April (in Russian).

³⁸ Government of Spain. (2020). <u>Seguimiento medidas en el sector de transporte por COVID-19</u> [Follow up of measures adopted for the transport sector due to COVID-19], 16 April.

▶ 3. ILO tools and reponses

International labour standards

International labour standards offer a tried and trusted basis for policy responses and a sustainable and equitable recovery.³⁹ International labour standards and the ILO Decent Work Agenda, with its four pillars of employment, social protection, social dialogue and rights at work, are important cornerstones of the 2030 Agenda.⁴⁰

The Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205), applies to all sectors and emphasizes the importance of social dialogue and the vital role of employers' and workers' organizations in crisis response. In addition, the ILO has identified eight "fundamental" Conventions covering subjects considered to be fundamental principles and rights at work: freedom of association

and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.

The Social Protection Floors Recommendation, 2012 (No. 202), provides guidance, in cases where the entire range of statutory social security benefits are not applicable to all drivers, on progressively ensuring that they benefit from at least basic social security guarantees, including access to essential health care and basic income security.⁴¹

The ILO has issued guidance and a range of technical and sectoral notes on the COVID-19 pandemic, based on four key pillars.

Figure 1: Four key pillars to combat COVID-19 based on international labour standards

Pillar 1 Stimulating the economy and employment

- Active fiscal policy
- Supportive monetary policy
- ► Lending and financial support to specific sectors, including the health sector

Pillar 2 Supporting enterprises, jobs and incomes

- Extend social protection for all
- ▶ Implement employment retention measures
- Provide financial/tax and other relief for enterprises

Pillar 3 Protecting workers in the workplace

- Strengthen occupational safety and health measures
- Adapt work arrangements (e.g. teleworking)
- ▶ Prevent discrimination and exclusion
- ▶ Provide access to health care for all
- Expand access to paid leave

Pillar 4 Relying on social dialogue for solutions

- Strengthen the capacity and resilience of employers' and workers' organizations
- > Strengthen the capacity of governments
- ► Strengthen social dialogue, collective bargaining and labour relations institutions and processes

Source: based on ILO, 2020. COVID-19 and the world of work: Updated estimates and analysis. ILO Monitor (2nd edition).

³⁹ ILO, 2020. Why International Labour Standards matter in a public health crisis, video, 27 March.

 $^{40\} Ryder, G., 2019. \underline{ILO\ Speech\ as\ General\ Assembly\ Marks\ International\ Labour\ Organization\ Centenary,}\ 10\ April.$

⁴¹ ILO, 2020. Guidelines... op. cit., paragraph 122.

ILO sectoral resources:

A number of ILO committees and meetings have discussed matters and issued guidance on the labour conditions of road transport drivers that are relevant to efforts to protect them in the context of COVID-19.42

The main sectoral instruments for the industry include:

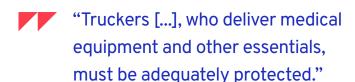
- ➤ The Hours of Work and Rest Periods (Road Transport)
 Convention, 1979 (No. 153), and the Hours of Work
 and Rest Periods (Road Transport) Recommendation,
 1979 (No. 161), which establish reference standards
 for working and driving time in the road transport
 sector.
- ▶ The Labour Inspection (Mining and Transport)
 Recommendation, 1947 (No. 82), calls on
 governments to apply to transport undertakings
 appropriate systems of labour inspection to ensure
 the enforcement of legal provisions relating to
 conditions of work and the protection of workers
 while engaged in their work.

The Guidelines on the promotion of decent work and road safety in the transport sector, which were adopted by a meeting of experts in September 2019, draw on the expertise of the representatives of governments, employers, workers and other participants. The Guidelines apply to commercial motor vehicle drivers providing road freight and long-distance passenger transport services and can be particularly helpful in the current situation.

Further information

The ILO webpage on <u>COVID-19</u> and the world of work: <u>Sectoral impact, responses and recommendations</u> provides links to key resources, including:

- ▶ ILO sectoral tools and instruments
- ► Joint statements and calls for action to fight COVID-19
- ▶ <u>ILO partnerships to fight COVID-19 sector by sector</u>



Guy Ryder, Director-General, ILO43