Council of Ministers

ROAD TRANSPORT

THE SOCIAL DIMENSION IN ROAD TRANSPORT

This document is submitted for discussion and approval under item 4 “Road Transport” of the draft agenda of the Bucharest session of the Council of Ministers.

Ministers are invited to:
- agree on the guidelines proposed in this document [CEMT/CM(2002)7];
- agree also on the report on the follow-up to the Lisbon Resolution, in particular by giving a Mandate to the Committee of Deputies to define a procedure for the exchange of information [CEMT/CM(2002)12];
- agree to monitor progress and to return to this topic in due course.
THE SOCIAL DIMENSION IN ROAD TRANSPORT

Executive Summary

The earliest thinkers in the field of economics already held that freedom of international trade and the free international circulation of factors of production (labour and capital) were keys to increasing the wealth of nations in a context of fair competition, where each country has its own advantages. Neither contemporary economic theory, however sophisticated, nor close empirical observation of economic trends contradict this view, for international disparities in wage levels and in rates of return on capital generate cross-border movements of labour and investment that enable rich countries to become richer and poor countries to become less poor, so to speak.

Applied to road haulage, this means that the free circulation of wage-earning drivers from one country to another and the freedom of investment of enterprises, whatever their national origin, are the foundations for greater prosperity for all countries concerned.

However, valid as these principles may be, it cannot be denied that questionable practices are currently developing in the transport sector [Cf. CEMT/CM(2002)13].

The practices of certain carriers have been widely reported in the news. These consist of having drivers from CEECs or the CIS drive vehicles that have been registered by one of a carrier’s EU subsidiaries and that have been issued an ECMT or bilateral licence. However, these drivers are actually employed by another subsidiary located in one of these non-EU countries and work under salary conditions that cannot be matched by EU-based enterprises, which must compete with these “custom-built” haulage operations.

It is obvious that these practices pose a serious threat to the social model based on the employment of drivers paid in line with EU standards and who use their know-how in companies located in Western European countries to transport goods within these countries, in compliance with the transport regulations universally accepted in the developed countries.

At the same time, the European Union faces a fundamental problem, for with EU enlargement and the differing social regimes that it entails, and with the budgetary and exchange and interest rate constraints imposed by the Maastricht Treaty that reduce countries’ room for manoeuvre, there is a danger that social policy may come under pressure as the only instrument available for adjusting to disparities in competitiveness.

There is clearly a very real risk that this might occur, but it can be shown that it would be counterproductive in the long-term, since economic and social progress go hand in hand rather than being mutually exclusive. Economic progress can only take root and prove lasting if it is propagated by social progress, creating a climate conducive to expansion.
Consequently, it is essential to affirm the need for social progress, and the Ministers are invited to discuss the following ideas in this regard:

- firstly, there is no reason to call into question the general model of the free international circulation of factors of production as a means to greater economic prosperity, including in the transport sector. This is a first, essential principle;
- the questionable behaviour of some companies can be combated through driver certification, which the EU is planning to introduce specifically for this purpose;
- the appropriate social model for combating the negative effects of a further opening up of borders, and which should be gradually developed by the ECMT, should consist of the following:

  • pursuing the work under way in the following fields:
    - harmonised enforcement and monitoring of regulations on driving and rest times [Cf. CEMT/CM(2002)12];
    - linkage of increases in the ECMT multilateral quota to implementation of the conditions mentioned above, although reluctance to create such a linkage was expressed by some Delegations and this is a principal concern behind Austria’s general reservation on the Lisbon Resolution;
    - establishment of an international definition and harmonisation of working time;
    - internationally harmonised conditions of access to the road haulage market.

  • launching new initiatives in the following fields:
    - to implement initial and continuous driver training aimed at upgrading the profession in order to make it more attractive. This is particularly relevant for international traffic. In EU countries, 90% of drivers have never received professional training. 13 out of 15 Member countries have no compulsory initial training; 14 have no compulsory continuous training. The EU Commission has also prepared some proposals in this field, which will be interesting to study further to see how they could be extended into the framework of the Conference;
    - to guarantee that the conditions prevailing in the host country will be enforced for migrant labour. Provided that the evaluation carried out in the EU within two years after introduction of EU’s drivers’ attestation proves the system effectiveness and enforceability, it might be necessary in good time to extend driver attestation to the entire ECMT area. Initially, this might be applied to international transport under the ECMT multilateral quota;
    - to ensure fair operating conditions for foreign companies. This would mean enforcing the rules of specific standard contracts required for international subcontracting between transport organisers and hauliers. This may mean that it will be necessary to undertake work on internationally harmonised subcontracting contracts to avoid imposing different or unacceptable conditions on subcontractors of different nationalities, on the same principle as the work carried out in 1997 aiming to give a framework to bilateral agreements on road transport. It must also be borne in mind that all these aspects have an impact on security.

These actions should always be closely related to the decisions taken or the work going on in the EU.
It can be observed that on many of these points the ECMT has already adopted the appropriate course of action. The Ministers will affirm, if they see fit, that the primary means of taking the social dimension into account in the ECMT area is for the ECMT to continue its activities in line with the policies already defined by stepping up its action and by launching the new initiatives mentioned above, in consultation with the profession and the actors of the sectors concerned, while keeping itself informed of the work of the EU Commission and the UNECE.

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<th>Therefore, Ministers are invited to:</th>
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<td>– agree on the guidelines proposed in this document, in particular by giving a mandate to the Committee of Deputies to pursue the work under way and launch new initiatives as set out above and to submit more concrete proposals at a later stage;</td>
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<td>– agree to the content of the report CEMT/CM(2002)12 on the follow-up to the Lisbon Resolution, by giving a Mandate to the Committee of Deputies to prepare for the next session of the Council a draft Resolution defining the structure of the system for information exchange related to controls and infringements of EC Regulation 3820/85 or the AETR;</td>
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