

Livia Spera

# Transport costs have a knock-on effect on everything

The European Transport Workers' Federation (ETF), which represents more than 5 million transport workers from more than 200 transport unions and 40 European countries, is a pan-European trade union organisation which embraces transport trade unions from the European Union, the European Economic Area and central and eastern European countries. Livia Spera has been the acting general secretary since 2019. Having studied sociology at both the University of Milan and the University of Warwick, the Italian trade unionist joined the ETF in 2005 to work on matters concerning dockers and fisheries. She specialises in European policy matters relating to transport and kindly granted us this interview in order to provide an in-depth analysis of the issues facing the transport industry.

**Interview by  
Mehmet Koksal**  
ETUI

➔ **Let's launch straight into the most pressing and arguably the trickiest issue. Climate change was the topic on everyone's lips during COP26, and the European Union is very insistent on the need for a 'modal shift' (i.e. changing the most commonly used mode of transport) for the purposes of greening the transport industry. It will be impossible to reduce greenhouse gas emissions without this shift given that the transport industry is apparently responsible for 30% to 40% of global warming. What is your approach to tackling this issue?**

**Livia Spera** – Put simply, the modal shift means favouring certain modes of transport, for example rail, at the expense of others, most notably road and aviation. So, in a transport federation that represents the various different modes of transport, you can imagine that these discussions have been extremely difficult. Our affiliated trade

unions have now made progress, and we can no longer afford to overlook the climate issue given how pressing it is. Prior to 2008, the usual response you would hear was that climate change was not our core business and that such matters should be left up to environmental organisations. I'm exaggerating a little, but, on the whole, we did struggle to get the trade unions on board and heighten their awareness of the issue.

➔ **You must have experienced the same thing in relation to other matters?**

Yes, we encountered the same attitude when it came to discussing digitalisation and task automation for organising work in the transport industry. An organisation might adopt a strategy of not discussing an issue so as to pretend that the issue doesn't exist, since its members don't want to hear about it for various reasons. You have to

bear in mind that trade unionists won't make themselves popular by bringing up these climate emergencies – it's seen by many as risky or dangerous. What's more, the European Trade Union Confederation (ETUC) is often wrongly accused of being an environmental non-governmental organisation (NGO), so you have to choose your words wisely.

➔ **How did you manage to turn the situation around?**

First of all, our work here is not yet done. We're continuing to raise awareness, but it is very clear that, in recent years, the involvement of grassroots movements and a significant proportion of young people in the climate emergency has opened a lot of people's eyes. Our members have actively contributed to the cause and taken part in demonstrations. We have got involved

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and have encouraged other groups to get involved as well. This mobilisation proved that it was possible to bring thousands of people out into the streets at a time when trade unions were finding it harder and harder to build momentum. In my opinion, this mobilisation opened our eyes, and many trade unions realised that they had to be part of the discussion and take ownership of the issue.

➔ **Are everyone’s interests in it the same?**

Of course not. In the transport industry, rail and urban public transport trade unions have more to gain from the reforms than road transport and aviation trade unions. There is also another related issue which is more of a social issue. To give you an example, road transport is plagued by numerous social issues and precarious working conditions that are tantamount to modern slavery. Workers have their hierarchy of needs and have to prioritise their basic needs such as food, shelter and warmth. If they are constrained to thinking first and foremost about these urgent matters, they won’t really be able to think about anything else. In practical terms, I can tell you that, first of all, there was an internal shift within the ETF whereby the organisation decided to encourage the different sectors to talk to each other by creating three departments tasked with coordinating our activities and ensuring a more consistent approach. Our federation is quite special because it even includes trade unions composed exclusively of merchant navy officers, a trade union consisting solely of pilots, another consisting only of cabin crew members, and so on, so we have to take the opinions of trade unions from a wide variety of different and specific sectors into account. For us, it is clear that there is a very strong connection between the climate transition and an improvement in social conditions. I know that the European Commission has been talking about a modal shift towards rail transport for decades.

➔ **Do you believe in this shift towards rail transport?**

We do believe in it but, above all, we believe in the principle that all modes of transport are necessary. We are not an NGO like Stay Grounded which is calling for a radical, sweeping ban on aviation. They can afford to promote a populist message which consists of saying that we need to put a complete stop to all aviation and ban the use of lorries. However, in reality, we know that this is impossible because we will still need aeroplanes and all modes of transport. Just think about the need for transportation to remote areas and islands. Aviation is an essential sector. Currently, 2.5 million people work in the aviation ecosystem across Europe, so it is important to remember that this sector is responsible for creating a lot of jobs.

➔ **Why are you so keen to emphasise the link between the green transition and the social dimension?**

Because, ultimately, transport costs have a knock-on effect on everything. If you want to promote rail transport, you need to build more tracks, and so you need to agree to public investment and, in particular, infrastructure costs. It costs a lot of money to create new rail infrastructure, and it takes years to complete the work involved and requires a lot of space. Although it is hardly given any media coverage, there is currently a lot of congestion affecting rail freight, and companies are up in arms about it.

➔ **The European Union decided to liberalise this market so as to allow competition to play its role...**

Yes, but this policy mainly helped to destroy jobs and undermine working conditions by creating competitive dynamics that didn’t necessarily increase the volumes being transported. The figures show that the freight transport volume actually decreased once the industry had

been privatised. If we truly want to make the shift towards rail transport, we need to develop a strong policy of support for the rail sector, including public passenger transport, and agree to invest public money in it. Unlike rail costs, which are high, road transport costs are extremely low because those who work on the roads are, generally speaking, very poorly paid. It is a job that no one wants to do, especially now following the pandemic, wages are very low, you have to travel long distances from home, and so on. This wasn’t the case 30 years ago when lorry drivers were very well paid. Danish lorry drivers used to travel to Italy every week with decent wage conditions, as this was considered fair compensation for the distances involved. These days, lorry drivers are asked to go as far as the Philippines and Kazakhstan. Did you know that it is currently estimated that there is a shortage of several hundreds of thousands of drivers? Admittedly, the European Union hasn’t had the same issue with heavy goods vehicle drivers as the United Kingdom, as there is greater elasticity in the labour market given that there are 27 Member States. Do you see how, if we continue to allow it to be cheaper to transport goods and people via road than rail, then the modal shift towards rail transport will never happen? In any case, given that demand for transport will increase, we believe that there is room for all modes. However, there is most certainly a need for a shift in favour of social and environmental sustainability.

➔ **So, does road transport need to be made more expensive?**

Yes, road transport evidently needs to be made more expensive by including wage costs in overall transport costs. We constantly talk about the internalisation of external costs from an environmental point of view. We need to internalise labour costs and not just focus on ramping up controls or collective bargaining.

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*‘Everyone knows the owners of Amazon, Microsoft and Meta, but no one knows these owners of shipping lines, who are major capitalists.’*

→ **But doesn't this run the risk of upsetting consumers?**

No, not necessarily. We're talking about only a very slight shift in the balance by internalising these costs. To give you a specific example, we'd be talking about increasing the delivery price for a smartphone by 3 euros. This wouldn't put consumers off. Look at what is currently happening with large container ships between Asia and Europe. Transportation which, prior to the pandemic, would have cost 1 000 dollars is now priced at 10 000 dollars.

→ **Why is that?**

Because, during the pandemic, production capacity in Asia fell, consumption grew, congestion built up because Chinese ports were closed, factories were closed, containers were stuck in the US, and so on.

→ **Are you saying that price hikes can be introduced when necessary?**

Yes, precisely, and that's also why we're seeing the kind of inflation that we're currently experiencing. But, if we just allow working conditions in the transport industry to worsen and workers to continue to be poorly paid, we will never be able to meet the modal shift challenge. The same goes for passenger transport. If you can buy a plane ticket from Brussels to Ibiza for 10 euros, you're not necessarily going to spend the weekend in the Ardennes. Ultra-low-cost airlines are creating a market that doesn't exist or that shouldn't exist.

→ **Yes, but this is an extreme and unusual example. The development of the aviation sector isn't based on ultra-low-cost airlines with flights costing 10 euros.**

That may not apply to the majority of flights, but examples like these are creating a race to the bottom across the entire sector, even amongst the major airlines. Take, for instance, the low-cost subsidiary airlines created by almost all the flag carriers such as Lufthansa and SAS which have started to employ people using precarious contracts based in countries other than that of the company's registered office. It is worth pointing out that the majority of our members in the aviation sector work on the ground in ground handling or in baggage-handling companies where margins are extremely tight, which is also a result of the ultra-low-cost model.

→ **What kind of comprehensive solution do you suggest?**

There is a major sticking point in that the right to competition is enshrined in Europe, and this right prevents price fixing of any nature. To give you an example, leaders in Austria and Germany are discussing the idea of fixing a minimum price for flight tickets at around 40 euros. So, there is political appetite, but they don't know how to implement it because it would contravene European law. I know that there is a lot of talk at the moment of the possibility of banning short flights, but there are no proposed solutions for ensuring connectivity for the long-haul flights offered

by European companies. Long-haul flights are where companies make sizeable profits. Prior to the pandemic, there were around eight flights a day between Brussels and Frankfurt and the same for Munich, which are Lufthansa's two major European hubs. If decent connections with these airports are not guaranteed, the European sector won't be able to compete with the airlines from the Gulf states. Banning short flights without guaranteeing connectivity between airports is not a solution unless you want to bring the European companies to their knees and hand the market over to the other non-European companies that are heavily subsidised by public authorities.

→ **Can't we come up with innovative solutions to reduce the amount of pollution caused by these connections?**

The margins in the sector are not conducive to investment in research and development. There needs to be support for public investment in innovation, but this needs to be conditional on respect for social rights, collective bargaining agreements, and so on. The same can be said of road haulage companies; there is a lot of subcontracting, wage costs are squeezed as far as possible, margins are tight and there is no appetite for research and innovation. The innovative spirit is, in fact, being driven by software developers who want to make a business out of it. This is not an initiative being driven from within the transport industry itself.



↓ ETF Acting General Secretary  
Livia Spera at Central Station in  
Brussels. Photo: © Martine Zunini

➔ **On the subject of innovation, doesn't the development of algorithmic management concern you?**

We are following this development through the work being conducted by the European Trade Union Confederation and the European Trade Union Institute (ETUI) which believe that labour law needs to evolve in order to protect workers exposed to such risks. This goes hand in hand with discussions on legislation concerning limits on the use of artificial intelligence and the proposal for a directive on regulating labour platforms. For us, digitalisation in the lorry sector could be a good thing if it is managed properly, because it could help to professionalise the occupation. People are always talking about 'professional drivers'. In the long term, we are not against the idea of having fewer jobs as long as the jobs come with better working conditions. To date, these workers have been very poorly treated in general, so it would be a good thing to see professionalisation with improved conditions, more training, and so on.

➔ **Couldn't this be a solution in the future for all sectors, I mean fewer jobs but better conditions, a sort of 'less-with-more' approach?**

Yes, potentially. Can we come back to the price issue, which is also related to the development of artificial intelligence and e-commerce? The president of Belgium's Socialist Party, Paul Magnette, recently caused quite a stir in the media when he floated the idea of banning e-commerce only to then backtrack in light of people's reactions. Our two Belgian trade union members SETCa and BTB reacted to this idea by saying that they were not against e-commerce as long as it is regulated. What is the situation these days? You make a purchase on Amazon or from other similar companies and you pay for the product which you receive free of charge in the post. If you don't like what you ordered, you return it free of charge. This is a nightmare for workers, because this is a sector that offers very poor working conditions for work that is controlled by algorithms and overly subcontracted. Since Amazon



↑ Frank Moreels

According to calculations by Transport Intelligence, the shortage of drivers amounts to approximately 400 000 places to be filled within the EU and the UK. According to ETF President Frank Moreels, the problem is common across Europe: 'This crisis is due to a lack of decent jobs – people who can do the job no longer want to because of working conditions. Most drivers are over the age of 50. It's a problem the ETF has been denouncing for years, and no mode of transport is safe from worker shortage if things don't change.'

is a massive company, it is in a strong negotiating position when it comes to concluding flat-rate agreements with hauliers. The companies rely heavily on individuals in false self-employment to deliver the parcels. The labour inspectorate recently conducted an investigation in Belgium and forced a delivery company to close down after its working conditions were found to be appalling; it was also exploiting workers without residence permits. We're talking here about a new exploited working class. This way of doing business based on subcontracting also has an environmental cost because, of course, these vans are everywhere you look in our towns and cities. This situation is threatening local business and having an impact on urban public transport which can no longer offer users an efficient service. If vans block trams and buses every five minutes in order to deliver parcels, this has an impact on traffic, urban air quality and the smooth flow of urban public transport. Drivers cannot afford to spend time looking for somewhere to park, as the algorithm increases their stress levels, so they just park wherever they can in order to deliver as many parcels as quickly as possible.

➔ **What does the future look like in your eyes?**

The future cannot simply be about increasing the number of scooters and electric cars. We absolutely must develop public transport infrastructures that are both affordable and efficient.

➔ **On the subject of scooters and bikes: regarding riders and couriers from Deliveroo, Uber Eats, etc., you take a particularly positive view of the approach adopted by the European Commission which has put forward a proposal for a directive on regulating digital labour platforms. You have stated that the European Commission is listening to the sector. Why are you so optimistic about this?**

Because it will clarify the rules and set out very precise criteria in order to ensure that these workers are treated like other employees and not considered to be self-employed individuals. It will lead to social responsibilities for companies which, at the moment, don't accept any and which benefit from the welfare state paid for by others and get away with not contributing themselves. We are very positive about the initiative, but we are also aware that the platforms are spending millions of euros on lobbying in order to block it. I think that it is a very important and even symbolic message from the European Commission which has decided to sit up and listen following our legal actions and media coverage of the issue. It also shows the trade union movement that, if we all pull in the same direction, we can get there. These days, discussions focus mainly on the catering industry and swift takeaway deliveries, but the truth is that this platform-based management system could, sooner or later, be applied just about anywhere, and we're already seeing it in logistics.

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➔ **Does that concern you?**

Yes, it concerns us because e-commerce is experiencing constant growth, and this industry has a direct impact on the transport industry. But we’re not just sitting back, because this is also where our members are unionising the most. If you look at Italy, for example, in the case of Amazon, the transport trade unions have managed to reach a historic agreement with regard to industrial relations and are currently negotiating an industry-wide agreement. This concerns around 50 000 workers in Italy, so it is huge for the country.

➔ **Let’s turn our attention to the maritime sector which has been very important, particularly during the pandemic. What can you tell us about it?**

It is a very important sector and one which likes to remain very discrete. In a way, shipping lines are the ultimate representation of capitalism. If I were to ask you if you knew the names of the owners of major shipping lines such as MSC or CMA CGM, you probably wouldn’t be able to tell me. Everyone knows the owners of Amazon, Microsoft and Meta (Facebook), but no one knows these owners of shipping lines, who are major capitalists.

➔ **Perhaps because they’re not as rich as Bezos?**

I can tell you that they are extremely rich and that this is a sector that likes to remain hidden. The term ‘sea blindness’ is often used to describe the fact that they prefer zero visibility of their affairs. There are an estimated 1.5 million seafarers in the world working offshore, and there are a lot more workers involved if you include the other sectors that are essential to shipping. I would like to draw your attention to a major campaign that has been run by the International Transport Workers’ Federation (ITF) for nearly 70 years which

aims to fight flags of convenience. A large proportion of vessels, although European property, are registered in countries with which the owners have no connection because the owners are not, for example, subject to national collective bargaining agreements for their workers. Our trade unions and the ITF rightly want to defend social rights by encouraging the adoption of collective bargaining agreements. Broadly speaking, unlike railway workers and urban public transport workers, seafarers have few opportunities to take industrial action to defend their rights. Any action on board a vessel can easily be interpreted as attempted mutiny.

➔ **I don’t understand. Are there specific agreements between European shipping lines?**

At European level, there is a specific piece of legislation called the Consortia Block Exemption Regulation (CBER) whereby the European Commission allows shipping lines to enter into agreements or consortia up until 2024 without infringing EU anti-trust rules. This exemption also encourages vertical integration of shipping lines in container terminals and has a considerable negative impact on the profitability of port services and on other sectors of industry. Alongside other organisations, we have been very vocal in opposing these exemption regimes. To tell you the truth, historically, shipping lines have always wielded a lot of influence over the European Commission. They have also been granted special tax arrangements, because shipping is an international sector that should be competitive. In order to keep these sectors in Europe, they are granted tax concessions, although this does not really have an impact on European employment. For example, they pay a tonnage tax on the grounds that their business operations are conducted offshore, so this means that they don’t pay based on their turnover but based on the tonnage of the fleet.

➔ **It’s quite unbelievable that such an exemption would be made these days.**

Absolutely, but that’s not even the worst of it. A few years ago, a study conducted by the Organisation for Economic Co-operation and Development (OECD) revealed that, in certain countries, these companies can apply a tonnage tax even on their onshore operations and services. They use vertical integration by purchasing port infrastructures and holding participating interests in port terminals. As such, they can drive the port services market down by taking advantage of the existence of competition. Competition in this sector is fierce on account of excess capacity at the ports. The shipping lines therefore built larger vessels in order to transport more containers. Although the shipping lines benefited from very favourable taxation arrangements, they claimed that they could no longer cover the costs and obtained special authorisation to work together and provide joint services. Ultimately, they managed to obtain a lot of negotiating power in relation to the port authorities and terminals. This has implications in terms of the collective bargaining agreements that our docker trade unions negotiate. Port labour pools were designed and created to prevent job insecurity, and so they should be seen as a very modern approach for companies that reportedly want to be socially responsible. Unfortunately, we are seeing companies attack workers’ social protection systems. The situation becomes untenable when you consider that port cities such as Antwerp, Hamburg and Rotterdam have to deal with the pressure of large vessels, lorries driving around delivering parcels, and the health and safety of those working in the shipping sector which are being safeguarded less and less. ●